September 13, 1949

The Reporter

A fortnightly of facts and ideas

25¢

Time for Reckoning—East and West

PRODUCED 2021 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

...a German meat shop, a man

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

September 13, 1949

The Reporter

A fortnightly of facts and ideas

Contents

Volume 1, No. 11

Editorial

Page 2 *Time for Reckoning — East and West*

4 *Turning Point of the ECA*
With production up, western Europe must find new markets for its goods, new sources for its materials

7 *Triple Job in Greece*
The civil war is nearly ended; reconstruction is on the way; can Greece now have real democracy?

10 *West Berlin: Rise and Decline*
Bankruptcy and despair may give the Russians a better chance in the city than the blockade did

12 *A Limited War, If Any*
One school of thought in Washington believes that the United States should prepare only for non-total war

15 *Our Military Posture*
The generals and admirals watch Secretary Johnson to see whether they are to relax or sprint ahead

17 *Our Chance in the Far East*
The Communists, and not we, are bound to conflict with the area's national aspirations

Comment

20 *To Man's Measure . . .*
The ambassador and the spy

Indiana

22 *Rent Decontrol in Marion*
Tenants and landlords hold the line

Congress

23 *Ambassador from Nevada*
Favoring high silver and low immigration, Senator McCarran serves his scattered constituents well

Economics

28 *If Depression Comes —*
An economist says that all parties had better agree on taking depression out of politics

Europe

30 *And Still — Nationalism*
European unity is progressing slowly while the nations are reluctant to give up their old self-centered policies

France

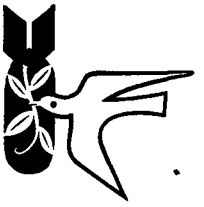
33 *Communist Intellectuals Think Again*
A number of France's more vocal leftists have begun to see through the Moscow cultural line

Washington

36 *The Dog Days*
Maybe a rest would do Congress some good

Books

37 *'The City of Reason'*
A review of a book by Samuel H. Beer



Time for Reckoning

All over the world the sky is darkened as the crows, the vultures, and the plain little chickens of mistaken policies come home to roost, whirring and fluttering down in Berlin, China, Greece.

Some of the world's most flagrant trouble spots are not as serious as they appear to be; others that we tend to dismiss as trivial are far more dangerous; there are many that we do not even know about—and must know about.

The American people have themselves the power to master these facts. There is no way of bypassing them.

Editor & Publisher: Max Ascoli

Managing Editor: Llewellyn White; *Assistant Managing Editor:* Robert S. Gerdy; *European Editor:* Leland Stowe; *Copy Editors:* Al Newman, William Knapp; *Art Editor:* William A. McIntyre; *Production Manager:* Anthony J. Ballo; *Staff Writers:* Richard A. Donovan, Pat Holt, James M. Minifie, Gouverneur Paulding, David Wills, Claire Neikind, Theodore A. Sumberg, Robert K. Bingham, Douglass Cater; *Assistant to the Publisher:* Helen Duggan; *General Manager:* Richard P. Callanan; *Advertising Manager:* Houston Boyles.

Cover by Arthur Getz. Photographs by Keystone Pictures, Inc.; Malindine-Magnum.

The Reporter: Published every other Tuesday by Fortnightly Publishing Company, a limited partnership. All rights reserved under Pan American Copyright Convention. Copyright 1949 by Fortnightly Publishing Company. Application for entry as second class matter under the Act of March 3, 1879 is pending. Subscription price, United States, Canada, U. S. Possessions, and Pan American Postal Union, One year $5; Two years $8; Three years $10. All other countries, One year $6; Two years $10; Three years $13. Please give four weeks' notice when changing your address giving old and new address.

Editorial, Advertising and Circulation Offices
220 East 42nd Street, New York 17, N. Y.

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Editorial

Time for Reckoning—East and West

The troubles are upon us, crowded together, arriving from East and West; there is the ECA, and there is Greece, German politics, and that huge province of the Republican Party, the Far East. It would take too long to list them all.

If we were like the Russians, we would not list the ECA among our troubles. Instead, we would be plastering the walls of the western world with triumphant signs: "The Four Year ECA Plan Has Been Fulfilled in Two!" There would be a great deal of truth in that statement, for it is a fact that the ECA has given an astonishing impetus to the recovery of the western European nations.

The very achievements of the ECA make us face now, two years in advance, our post-ECA problems. From the beginning, the three commandments of the Marshall Plan have been: Produce, Export, Earn Dollars. Production has been increased remarkably in every Marshall Plan country. But as the wheels start turning full speed, and the people in Europe regain heart, new questions come up: production of what and for whom—the internal or the external market? Export, yes, but where? In competition with whom? Finally, who is to earn the dollars? The national economies or a few enterprising individuals who know how to deal with Americans?

We have learned now that even if each of the continental nations were to be entirely successful in its export drive and earned enough dollars to re-establish its balance of trade, unemployment would remain high, the standard of living precarious, and the internal order insecure. Increasing production for export benefits only those workers who produce for export. The landless peasants in the Po Valley and in southern Italy do not stand to gain much, no matter how many Fiat cars are exported from Turin or how many yards of textiles from Biella.

Balance of Trade or Balanced Diet?

In overpopulated countries, like Italy or Greece, a comparatively large number of people live a submarginal life, and full employment cannot even be dreamt of. Yet, even in those nations, the export drives go on, at times with a measure of success. Somebody earns dollars that too frequently find a hiding place in the country where dollars are born. As a good American, the dollar feels that the world may be wonderful but that there is no place like home.

There is one exception to this trend, and that is England—the model ECA nation that, in spite of the ravages of war, has increased amazingly its rates of production and of export. The British people refuse to choose between balance of trade and a balanced diet. They want both. They are willing to draw every ounce of energy out of their muscles and to tighten their belts to the last notch. But the food—or whatever the British may call food—has to be the same for everybody.

In less disciplined ECA countries, there is the danger that the rich may get richer and the poor stay poor, but not in a country like England where the government has a tight control over the income and the welfare of the people. Paradoxically, Britain seems to prove that a nation with a Socialist Government can receive the full benefit of the Marshall Plan and strictly obey its three commandments. However, Britain is also the country that, having gotten the largest share of the ECA funds, is now in the worst predicament. Britain, the only major Marshall Plan country whose recovery was entirely dependent on reaching a favorable balance of trade, has found that, in spite of all its effort, this goal is beyond attainment. At the same time the continental countries show that a favorable balance of payment—and that, of course, is remote—would not be enough to give the people economic and political security.

Beyond the ECA

The mid-ECA balance sheet opens up for us an exceptional opportunity: In the two remaining years we can draw the full lesson from the experience we have gained, and at the same time plan our course for the years after 1952. We are, so to speak, in the middle of the ECA and beyond it. For this has not been a philanthropic hit-and-run program: Judging only from the knowledge it has provided, the ECA has been an extraordinary postgraduate course in international economics for businessmen, labor organizers,

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and government officials. At long last, and not only because of the ECA, we now have what may be called a foreign service. And those who have gone back to private life, the ECA alumni, will not easily forget.

At the same time there seems to be little doubt that once the four-year program is ended, the era of multi-billion-dollar grants for the relief or rehabilitation of foreign countries will come to a close. The basic idea of the Marshall Plan has been to assist the European nations not by a showering of bounty, but by a detailed, methodical strengthening of the sinews of their economic life. The political results of this new approach have been beyond our most optimistic expectations. The beginning of economic recovery in the European countries has given Communism a blow from which it does not seem likely to recover. This new system of strengthening sinews has shown us that there are new and powerful techniques that we have just started to experiment with. These techniques have to be developed at far less expense for the American taxpayer, for we see in Europe what America can do exactly at the time that we have come to realize that America is not rich enough to do it on a permanent and worldwide scale.

The End of the NRA

We still have more than adequate resources to help any nation that wishes to improve its lot—provided such nations are willing to assume their share of responsibilities, and to accept the conditions that our aid entails. These conditions can be called imperialistic only by people affected by that peculiar combination of systematic malice and incurable dullness called Marxism. In fact, our assistance can produce its results only if the countries we work with enjoy the fullest possible independence. As the work of reconstruction in foreign countries becomes more specific, as it progresses from good intentions to technical details, the more important our contribution of technical knowledge and skills will be. The American contribution must be in the capacity to see things through and see them whole; and then to back up this vision with adequate examples and assistance at strategic spots.

The experience gained by the ECA gives us the criteria we need in order to face all the other assembled problems. The point is to reach a clear understanding of what is to be done by America and what is to be done by the other nations. America cannot do it all. In what can be done by America, we must distinguish further between what belongs to the sphere of government action and what requires the participation of American private groups. For we should have learned by now that the world cannot be saved by American government projects.

Perhaps a whole era—and not merely the first half of the ECA—is about to end. It is the era that started on March 4, 1933, when Franklin D. Roosevelt assumed the Presidency. The nation pulled itself up from the bottom of the depression and later on found out that somehow, in fighting despair and need, it had learned how to go about fighting a war. With the same vigor, and, to a large extent, with the same attitude, the Roosevelt Administration fought against the economic crisis, for social reform; against the enemy, for an enduring peace. General Hugh Johnson, that flamboyant cavalryman, charged against the depression much in the same style as a fellow West Pointer, General George S. Patton, later charged on the Germans in France. Certainly the motto attributed to another New Deal protagonist applies to many phenomena of the whole era. "Spend and spend" served to solve more than one crisis and to win more than one election—and not only in the United States.

Now we need to develop the capacity to budget our energies and our resources—in order to know what we can risk. We need technical and business skill—a great deal of it—and above all, the hardest among the skills, the ability to think straight. This skill must be developed by many people, not only by elected officials and public servants. One of the most heartening lessons that the ECA gave us was the way that Americans from business, labor, government, and the universities, cooperated in creating conditions that make for democracy abroad. Now, finally, the American system of business initiative can be taken at its word, for in assuming risks and responsibilities abroad, it has its greatest chance since the depression.

Once these points are made clear, we should not worry unduly if some of our military leaders seem to put too much trust in a seventy-group Air Force or the atomic bomb as the main solutions for our difficulties. After all, as military men, they have to plan in military terms, and the nation is obliged to them for the job they are doing. But we must not forget for a moment that we are moving from total war toward peace and that, as the ECA proves, we are discovering new tools to make peace enduring.

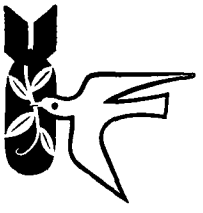
The G.O.P.

This should also be the time when, assuming that we have a two-party system, the opposition tries to seize the situation and regain power. There seems to be no sign that the G.O.P., as it is still called, is even vaguely aware of this opportunity. The last heard of the Republican Party, it was still nursing Nationalist China so that Chiang Kai-shek—he too—might have his share of military aid. —M. A.

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Turning Point of the ECA

Now that production is up, western Europe's problem is to find markets—not in industrial America but in less developed areas



There is no getting away from it: The Marshall Plan is in crisis. The problem is not so much lack of funds as lack of clarity about the essential organization, background, and purpose of the program. The gravity of western Europe's economic position has not been taken sufficiently into account on either side of the Atlantic. Many difficulties, of which the real origins lie fifty or more years back, are simply blamed on the war, and consequently their significance is obscured.

The nineteenth century was one of unusual prosperity for Europe. Virgin lands all over the world were thrown open to exploitation, and dormant wealth began to circulate. Great Britain and France, the only European nations that were well-equipped industrially in the early part of the century, were the first beneficiaries, but as they were enriched, other countries, such as Germany, and, to a lesser degree, Italy, also began to make industrial progress. Capitalists were not the only ones to benefit, for the masses, through their trade unions, were able ultimately to improve their living standards to a startling degree. Profits were large, and the workers did their best to persuade or force their employers to share them, which the employers often did, with no great sense of loss.

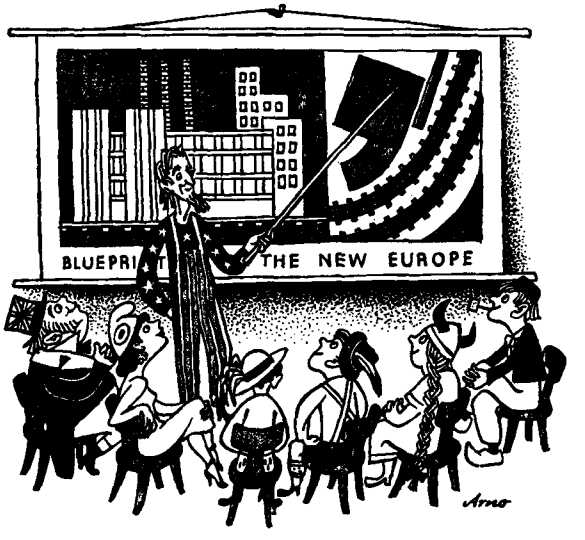
But by the beginning of this century conditions had begun to change. The new countries, primarily the United States, had become industrialized themselves and began to threaten western Europe's monopoly of manufacturing power. European capitalists were investing money in more distant lands, where there were no labor movements and they could make larger profits. The First World War accelerated the industrialization of the non-European world, and consequently made a European economic crisis inevitable. The countries that were hit hardest were those most recently industrialized, like Germany and Italy, which did not have heavy investments abroad. Great Britain and France weathered the storm by liquidating many foreign investments, but the Second World War exhausted their overseas reserves, and made the European economic debacle total.

The present postwar trouble has developed through various stages. First it was thought that limited American aid would tide Europe over the first difficulties of economic reorganization; this was the period of the UNRRA, and of monetary loans. Then it was realized that piecemeal relief and loans could not solve the problem, and a coordinating plan was required. So the aid program was tied up with a number of steps that the European countries were supposed to take, individually and collectively, toward adjusting their balance of payments to the dollar area. Now we have reached a third period. We are beginning to realize that the problem cannot be solved by Europe alone, but that a solution, to work, must take into account almost the whole world, or at least the part of it that lies outside the Iron Curtain.

It is not that the European Recovery Program has been a failure. Quite the contrary. In its first purpose, to set the machinery of European production in motion again, it has succeeded beyond all expectations. In fact, it was the speedy attainment of high production levels that made it evident that the previous underproduction was not the real root of the trouble.

The first alarm was given by economists from the nations participating in the Marshall Plan, when they had studied the long-range proposals of the individual continental countries. The plans were well drawn up, and no more chimerical than such documents ordinarily are, but each one pivoted about one nation alone. Looking at them together, it was plain that every country intended to step up the same branches of production and throw the same items on the same market. Obviously such ideas were impracticable. If by any chance they had been put into practice, western Europe would, in 1952, still have been up against a dollar deficit that could be optimistically calculated at two billions a year.

The problem is further complicated by the fact that the Marshall Plan is not only economic, but social and po-



PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

litical, in character. It is meant to be a defense against Communism, based on the assumption that the best, if not the only, way to combat that ideology is to raise the living standards of the masses and to persuade the numerous men of good sense among them that the non-Communist way of life has more to offer them.

This is an excellent point of view, but one that is easier to state than to put into practice. The unusually generous years of the nineteenth century left behind them a number of false premises. In that exceptional period of prosperity, there were some grounds for believing that economic troubles were due only to capitalist greed. It seemed then that if a few grasping businessmen could be prevented from making excessive profits there was no limit to the gains that the working class could make. One crude truth was not recognized: that the living standards of the workers can be raised by the distribution of profits only when there are profits to distribute. It is true that, even today, there are several thousand persons, particularly in France and Italy, who can take advantage of an imperfect system of taxation and live in unseemly luxury. But even if moral and social justice were to be served by tightening up the taxation system, it is still a fact that redistributing the wealth of the few would hardly contribute more than some pennies to the individual worker.

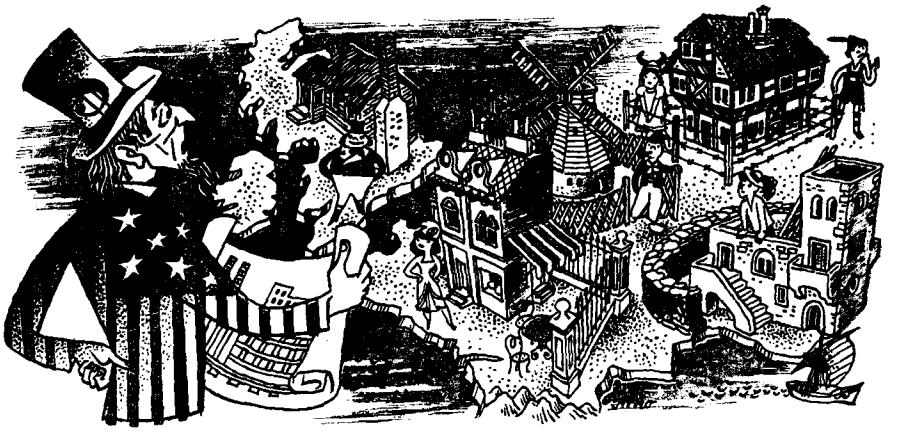
The underlying cause of Europe's economic malaise is that the various countries simply have not the means to maintain their present living standards—which Americans consider insufficient even now. If the trouble is not attacked at the root, the living standards will, indeed, have to be lowered more. No one can deny, for instance, the merits of the British Labour Government's welfare program, but the present sterling crisis makes us doubt whether Britain can afford it. The French and Italian workers (particularly the latter) have every right to ask for larger wages, but here too, it is a question of whether or not their countries have the means to pay them. While production was still low and the important thing was increased output, at no matter what cost, people could still nurture some illusions on this score. But now that production is rolling, and comparative prices are the things that matter, we will presently have to admit that raised living standards still aren't possible.

Americans are of course inclined to oversimplify the problem. Just bring your manufacturing methods up to date, they say with very good reason. But let us look at a concrete example, the Italian textile industry. The machinery is admittedly antiquated, and output per worker is about a fourth of what it would be with American methods. But to modernize the machinery would take a fund of capital that probably doesn't exist in Italy today, and, apart from this difficulty, what would happen to the innumerable textile workers who would be added to the already swollen number of unemployed? Of course technical improvement might increase the present production four times, but if every European country were to make the same advance, the market would be flooded. The same thing is true of other industries in other countries.

This brings us to the heart of the matter. The western European crisis can be solved only by a re-creation of the nineteenth-century pattern—that is, by opening up unexploited territory and untapped riches, and creating a demand that will provide work for a thoroughly modernized European industry. This is the only way to enlarge the miserable pie now being cut by the European countries, and the only way to bring about an equitable system of distribution, which would allow a reasonable capital profit and at the same time benefit the worker.

Someone may say that this is the aim of Truman's Point Four. But it is not enough to state the terms of the problem and the measures necessary to alleviate it. The question is one of ways and means, and here, it seems to me, little concrete progress has been made.

The United States has today a permanently favorable balance of trade, which has been estimated at around six billion dollars a year. This is a form of economic malady no less serious than the equivalent European deficit. During the last century Great Britain and France were in the same position as the United States is today, and, making allowance for the changed value of money, were yearly creditors for a similar sum. What did they do about it? They invested their surplus abroad,



PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

but not, it should be noted, on a bilateral basis, that is, not in countries with which they had a favorable trade balance, but wherever the investment was needed most. In empirical capitalist terms, they invested wherever they thought they could obtain the greatest return on their investments. And everyone profited nicely. Great Britain, for instance, built the railways of Argentina, and in so doing it indirectly helped solve Italy's problem of excess population. Argentina was quickly opened up for development, and was able to absorb millions of Italian workers. In other words, the British investment in Argentina was more helpful to the Italians than it would have been if it had been made in Italy.

The "Point Four" of the last century was carried out in a strictly practical manner by the bankers of London, and later by those of Paris, Amsterdam, and Berlin. Profit was the motive, and the banks studied the possibilities of any investment without thinking very much about whether it was in Oshkosh or Timbuktu. Some mistakes were made, and some capital was inevitably lost, but on the whole the banks did a notable job.

Such banking, however, is one of the voids that have to be filled before the world's economic life can be straightened out. The City of London's banks are no longer able to function as the heart of world finance—that is, as the organ that puts the lifeblood of capital into circulation wherever it is most needed. However much we may admire the Britishers' struggle to get back on their feet, and however much we wish them success in it, it is clear that the City can never again be what it was in 1900. Nor has Wall Street been willing or able to take its place. It made an ill-starred effort to do so after the First World War, burned its fingers, and withdrew. Even as a creditor nation the United States still has, financially, its debtor attitude of half a century ago.

Sensible persons are convinced that it would be absurd to return to an unbridled free economy, and that a certain amount of intelligent planning is necessary today. But I think they would agree that to hope to achieve Point Four merely by planning is to expect too much of human intelligence. How can one man or group of men decide such questions as whether to give precedence to the cultivation of rubber in Brazil or the construction of a hydroelectric plant in the Congo? Let there be a certain amount of efficient planning, but after that why not give rein to the natural search for profit? Wall Street must be persuaded, willy-nilly, that it has fallen heir to the mantle of London, and until it takes on the responsibilities that go with it, an essential component of world financial machinery will be lacking. The basis on which to decide how much American capital should be put into foreign, as compared to domestic, investments is the present favorable balance of payments. The equivalent of this balance is what the United States should invest abroad, even at the risk of a certain percentage of losses.

Meanwhile little or nothing will be accomplished by concentrating on matters of secondary importance. For instance, we are witnessing today an assault, from both sides of the Atlantic, on the pound sterling. Britain's policy of economic self-sufficiency, and its refusal to bring sterling into line, is a real obstacle to European economic collaboration. But devalution of the pound would not be a panacea. The difficulties of many continental countries stem not from overvaluation of the pound, but from the fact that it is not convertible. If the pound were to be devalued it is doubtful whether the sterling area could earn enough dollars to allow such countries as Italy and Belgium to make up for their dollar debit with sterling credit. Probably the only result would be that Britain, like many other countries, would find itself reduced to finding a cure for its ills through the illusory method of inflation, which would be a delaying measure, but not a solution.

There is much talk of tearing down barriers to inter-European trade, which would be an excellent thing, no doubt, since the economic law of diminishing returns practiced by almost all the countries of Europe only increases unprofitable production. But unless there is an end to the dollar deficit, such measures would only lead to a self-contained west European economy, which would have many, although not all, of the defects of attempted national self-sufficiency, and furthermore would not be at all to the liking of the United States.

It is equally vain to look for a solution in increased trade with eastern Europe. This would be politically inadvisable, because it would be tantamount to asking Russia to bolster up the capitalist system, and economically wrong, because, in spite of Communist propaganda, trade with eastern Europe never attained enormous volume, for the simple reason that the countries of this zone were small markets. When we speak of depressed areas, let us not forget that, with the exception of Czechoslovakia, we must so describe all of central and eastern Europe, including Russia. It would take huge investments in this region to make it the needed market for western industry.

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

And without wishing to suggest a boycott of the Communist sphere, I think it is safe to say that there are better places than the Soviet or its satellites in which to invest billions.

The essence, then, of what we have called the crisis of the Marshall Plan is the realization that the western European economic problem is not merely one of a balance of payments, and that if we wish to prevent the European masses from falling into coolie status, we must work to find vast new markets such as those developed in the last century. Seen from this point of view, the problem is not European, but worldwide, and can be solved only on a worldwide scale. For this purpose, Marshall Plan funds are insufficient, and probably the setup of the plan itself is unsuitable. The solution will not be reached by consideration of isolated local problems, but by seeing all the problems together, just as the fault lies not in one country, but in all of them. Once this has been understood, we must call together the best minds from both sides of the Atlantic, and perhaps the Pacific as well, in a search for practical solutions.

But there is no time to be lost, for the economic, political, and social crisis is mounting. —FLAVIUS

"The effects of economic development can be illustrated most strikingly by a few simple comparisons between the more and the less developed countries.

"It is estimated that the average income per head in the United States of America in 1947 was over $1,400, and in another fourteen countries ranged between $440 and $900; but in twenty-five other nations and most of the Non-Self-Governing Territories, comprising together substantially more than half the world's population, average income was less (often much less) than $100 per year. Moreover, in many of the less developed countries the extremes of wealth and poverty are particularly striking, whereas in the more highly developed countries there has recently been a marked tendency towards greater equality of income.

"The economy of under-developed areas is typically agrarian; by far the largest number of their people derive their living from the soil. But the average output per person in agriculture in these areas is less than one-tenth of that achieved in more advanced countries. The difference in productivity per man in industry and transport is as striking, and in consequence real wages are very low."—from *Technical Assistance for Economic Development*, a publication of the United Nations.

Triple Job in Greece

The civil war is almost over; reconstruction is in progress; now will democracy-building start?

Between April, 1947, and June, 1949, the United States gave $711,600,000 worth of aid to Greece. This comes close to a hundred dollars per Greek, or some twenty thousand dollars per Greek guerrilla. By next April, when the Truman Doctrine is three years old, our investment in Greece will be nearly a billion dollars. The pertinent questions now are: What have we gotten for our money so far, and how much real insurance have we against a Communist comeback in Greece?

Not only our seven hundred million dollars, but our leadership of the democratic world hangs in the balance in Greece. When Congress approved American intervention in that country, it was committed to a military, a political, and an economic objective: to put an end to the civil war, and so save Greece from Communism; to promote democratic freedoms and representative government; and to bring the country back to life economically, both by cash and technical assistance.

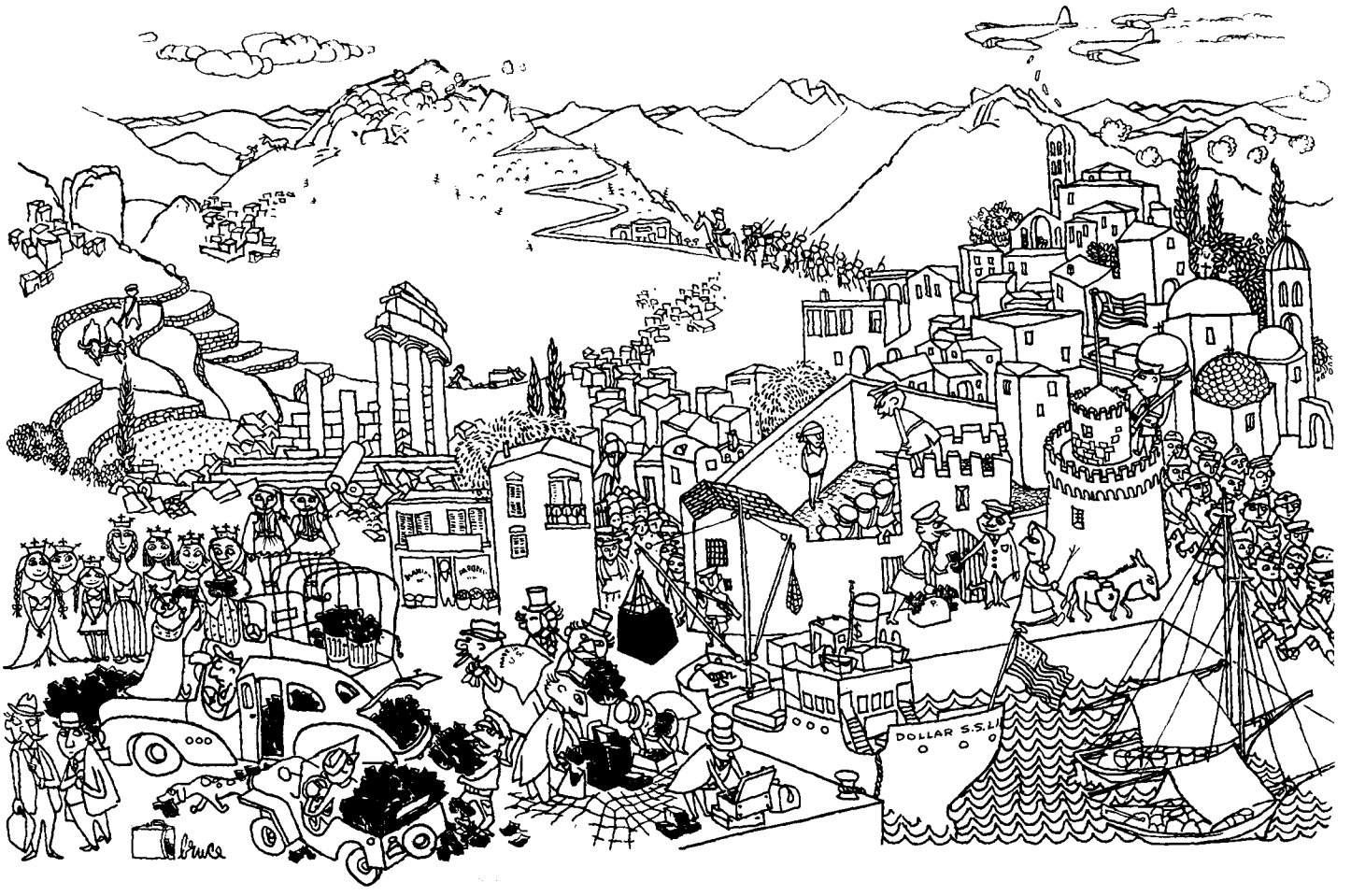
The nearest we have come to success is in the military field, where the greatest portions of American money, effort, and leadership have been applied. For a long time, the Greek Army fumbled and floundered, but recently it has begun to win major victories. All but scattered handfuls of Communist-led guerrillas have been driven from four-fifths of Greek territory, and American military advisers believe that the last Communist strongholds in the Grammos and Vitsi Mountains will be wholly eliminated sometime this autumn. The question appears to be not so much whether this can be done tactically (the Americans have no doubt that it can) as whether the Greek rulers genuinely want peace.

Nearly half of the Greek budget goes into the campaign against the guerrillas. But the prevailing attitude among the present governing Greeks is that, war or no war, American aid must be kept at a maximum. They are recklessly indifferent to the temper of the American public and Congress. They think of aid almost uniquely in terms of what Greece needs, or would like to have; they ignore almost completely what the United States can, or would prefer to, spend. One exceptionally level-headed American official has said: "The Greeks regard Washington as an artesian well gushing dollars, and their greatest anxiety is to get there with a bucket before anybody else does." Another official, an ECA man who resigned recently, added: "Never have so few asked for so much—and done so little with it." One of his more experienced, less bilious associates admitted frankly: "The Greeks are more interested in getting aid than in using it." Another ECA executive, on the way back to Athens, ran into an incensed customs inspector, who complained: "They have taken ten million dollars from us and given it to the Turks. *Our money!*"

On the eve of Secretary of the Treasury Snyder's recent visit to Athens, a daily newspaper declared that if Greek reconstruction failed, it would be due simply to the fact that American funds were not sufficient "to cover the multiple Greek needs."

In his only official speech in Athens, Secretary Snyder referred quietly to "that important force, the American taxpayer." It was probably the first time that the American taxpayer received so much as a passing reference in Athenian newspapers. Snyder's

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



phrase was regarded by some Greek officials as a shocking breach of tact. Americans who have been in Athens for any length of time explain: "The people in the Greek government think they've got us over a barrel."

I became pretty well convinced that they were right after a long conversation with one Greek Minister. "Suppose," I asked, "Congress should cut aid to Greece in half next year?" He replied sharply that it would be better to cut off aid altogether—to pull out rather than assist inadequately, to let social disintegration come over Greece, even though it might very well drive the people to anarchy or revolution. I thought of all the popular resentment against the government that I had run into, and asked, "In the long run, can you escape revolution here?"

"Yes," the Minister flung back. "*By going to Moscow.*"

The threat was unmistakable. I wondered whether members of the right-wing Greek government talk with similar bluntness to the American Ambassador, Henry F. Grady. If they do, the barrel that the United States is stretched over does not seem so metaphorical. Can we somehow do a durable, respectable, reasonably efficient job in Greece without being put upon by Greek officials with such extraordinary assumptions and presumptions? Certain government Greeks are already talking about a second and a third Marshall Plan. Projects based on this expectation are said to have been drafted by the Greek Ministry of Reconstruction. An ECA official recently asked a Greek economist: "But how can Greece create the industries capable of utilizing all of this projected hydroelectric power?" "Oh," the economist replied. "The Second Marshall Plan will take care of that."

Once you come to understand the curious climate in which American officials in Greece are obliged to function, you know what the ECA in Athens is up against.

Of course, the task of aiding Greece has been difficult from the first. The American program was improvised at great speed and under unquestionable pressures—but with a limited knowledge of Greece and the Greeks for guidance. Inevitably, mistakes were made which have cost the United States millions of dollars. We are paying a very sizable tuition fee in Greece, as in all of the nations we are assisting, for educating little-traveled, poorly informed, and politically naive Americans to the realities of international life.

Perhaps seventy-five or eighty per cent of the two hundred and fifty Americans on the ECA staff in Greece are living in a foreign country for the first time. Probably no more than five per cent have ever been in Athens before their present assignments—and even fewer have been anywhere else in Greece. As one young specialist put it: "I suppose the faults of the mission are really the faults of the United States." The same thing could be said of its virtues.

Immediately after the Truman Doctrine was announced, an outfit called AMAG, or the American Mission for Aid to Greece, was thrown together and sent to Greece for a year, until a more permanent organization could be formed. Under Nebraska's Dwight Griswold, this first mission built a good many roads and bridges, dredged some harbors, delivered quantities of goods, and so on. It made little effort to influence the Greek government politically, or, if it tried, it did not meet with much

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

success in its efforts at democratization.

The mission was just beginning to function smoothly when Washington or Athens, or both (no one seems to be able to fix the responsibility), rashly decided to include Greece in the Marshall Plan. As the American mission disbanded, the ECA moved in, and the entire program of aid to Greece was paralyzed for many months. Under the procedure of the ECA, American funds, which were urgently needed in Greece, were delayed for an average of about seventy days before they were cleared. The ECA did not break up the log-jams until February and March, 1949, eight months after it had taken over. Meanwhile, most of the AMAG personnel who knew much about Greece had gone home. John Nuveen, Jr., the chief of the ECA mission, was obliged to start off with most of his advisers and technicians as new to Greece and its politicians as he was.

A steady turnover among division heads and important specialists continues to bedevil the ECA in Greece, and to hinder effective planning and organization. American technicians arrive in Athens full of enthusiasm and ideas (though these are often impracticable for Greece); they become frustrated by the eternal obstructionism of the Greek government; finally, they quit and go home, and are replaced by new technicians, full of enthusiasm and ideas. In the last two years, the mission has had three different heads of the finance division, four of the industrial division (with a fifth now being recruited), three of the currency committee (with a fourth on the way), and three each of the construction and agricultural divisions. A British official says: "You have some first-class men. But you Americans are too impatient. Your men go home just when they are beginning to know enough to be valuable."

Considering all these obstacles, it is surprising that the ECA mission in Greece has done as well as it has. A considerable slice of American appropriations has, it is true, been diverted into the pockets of Greek grafters and profiteers, but Greece as a whole has received many rich and tangible new assets. Americans have contributed greatly to the modernization of Greek agriculture, to land reclamation and increased production, and to the improvement of public health, including the virtual elimination of malaria. In addition, they have assisted materially in the reconstruction of highways and railroads, the rehabilitation of harbors, the construction of processing plants, the restoration of motor transport, the establishment of the first Greek domestic airline, and other basic, and undoubtedly valuable, projects.

It has been impossible to achieve real reconstruction in Greece until now because of the unexpectedly huge cost of the campaign against the insurgents. Not only that, but the United States had to appropriate extra funds to cover the Greek budget deficit for the fiscal year that ended last June. Greek officials themselves differ widely as to exactly how much the deficit amounted to—but American taxpayers met all of it, including an item, listed at $240,000, for the maintenance of the Greek royal household. Seven "Greek" princesses, mostly of Germanic origin, have recently been restored to Greek citizenship, and the United States will apparently now also contribute to their support, in a manner to which some of the princesses have probably not been recently accustomed.

The Greek economy has one problem that can never be solved by the ECA—no matter how many dollars the United States appropriates for Greece and no matter how many hydroelectric turbines it ships there. That is overpopulation. In spite of nine years of war, there are now probably one or two million more people in Greece than this barren, abused land can support without extreme impoverishment. If the present birth rate keeps up for a few more years, the excess population might rise as high as five million—which is more than agricultural science, for all its miracles, can cope with.

"Birth control is the only solution," says an ECA official. "But neither we, nor the Greek government, have yet tackled this key problem." The Greek Orthodox Church reportedly would not oppose popular education in the methods of birth control, but for some perhaps not unfathomable reason, members of the General Staff have objections to the idea. And with every jump in the Greek birth rate, the scope of economic improvement must increase.

Within the framework of these curiously mixed facts—and only within it—can we assess what our economic aid is supposed to accomplish in Greece. Practical or impractical, well-considered or ill-designed, America's bold effort to reconstruct Greece and bring it close to self-sufficiency has just begun to take noticeable effect this fiscal year. The effort is a long-range one; the Greek reconstruction program cannot possibly be completed by 1952, when the Marshall Plan is scheduled to end. Where we go from there is an important question for the future. Where we start to go from here is an imperative question now, full of risks and uncertainties. Clearly, our support of Greece is an extremely complex undertaking. The Parthenon is probably the only thing in contemporary Greece that stands in clear, unmistakable silhouette.

At the beginning, those Greeks who are sincere democrats had excessive confidence in what America might do for them and their country. As they see it now, unless the United States definitely is not shy about using its influence in Greece, the contribution of one—or possibly two—billion dollars will serve merely to consolidate obsolete politicians in power and to build new industries for the enrichment of a small group of Greek monopolists.

Now that we have gone so far, we cannot get out of Greece—economically or politically. Our problem is to decide what we intend to accomplish with our power, and for whose benefit, granted that we stay in. Unless we solve it reasonably, the United States is bound to remain over the Greek barrel for some years to come. —L. S.

(This is the first of three articles by our European Editor on Greece.)

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

West Berlin: Rise and Decline

After the exhilarating victory of the airlift, bankruptcy may make the Allied section of the city easier prey for the Russians than before

Western Berlin, four months after the end of the Soviet blockade, is bankrupt and desolate. The city was exuberant last May, when the first trucks, trains, and barges arrived with goods and food that Berliners had not seen in years. Today the high morale of the more than two million blockaded people has given way to *Katzenjammer,* the disillusionment of the morning after. The two hundred thousand unemployed in the western sectors stand in the doorways of bombed-out buildings, or press their noses against the full and gleaming windows of shops they cannot afford to enter.

Now, in mid-August, twenty-five per cent of the workers in western Berlin are unemployed, and the total is still rising rapidly. Many of those who have jobs are working on short shifts. Municipal employees are getting only half pay. Pensioners and the beneficiaries of social insurance receive considerably reduced monthly allotments. Many tenants aren't paying rent. Clothing shops are stocked to capacity, but, even though most people are still poorly dressed, few can afford to buy. Some of the newspapers in the western sector, which carry democratic thought far behind the Iron Curtain, are in financial distress. Theaters, movies, night clubs, and restaurants are practically empty.

Today, far more than in 1945, Berlin is a dead town. In those days there was life in the ruins—gay parties in black-market cafés, the excitement of the new peace, defiance, and hope. A sprawling city, in which four great powers had a stake, was struggling in its smelly rubble. Today, the rubble has been cleared away. The bricks are piled up neatly in huge dusty lots. But the vitality of the city, which was fired by the airlift, has flagged seriously.

At first, the airlift won us a decisive battle in the war of nerves. Now it seems that the victory is slipping away from us. When the Russians realized that their blockade had merely strengthened our determination to hang on in Berlin—that instead of winning over, they had alienated the Germans—they dropped the blockade and took up new tactics.

During the cold, hungry winter of the blockade hardly anyone in western Berlin yielded to the temptation to look for goods in the Russian area that the airlift planes could not bring. This summer, Ernst Reuter, the Mayor of western Berlin, has had to beg his people to stop exchanging one west mark for six east marks so that they can cross the Potsdamer Platz and get haircuts or buy radios, sewing machines, and clothes. Now that the factories in eastern Germany again get raw materials from the western zones, they have begun to produce in earnest. Their goods are sold almost exclusively in eastern Berlin, where the Russians can, of course, manipulate prices almost at will. Undisturbed by the rate of exchange, which is against them, they seek to attract western Berliners, whose supply of western marks is desperately low—for they want to get their hands on all the western marks they can. Soviet administrators are not only stocking shops in eastern Berlin with products that cannot be had elsewhere in the Russian zone; they are also dumping low-priced goods into western Berlin. Today Russian cigarettes are much cheaper all over Berlin than German Murattis or American Chesterfields. A short while ago it was photographic film that suddenly glutted the market.

But in the view of Friedrich Ernst, the efficient head of west Berlin's Central Bank, the Communist effort to drain western money out of Berlin is one of the city's lesser problems. "When you talk of taking good money out of west Berlin's cashbox, the real culprit is western Germany," he says.

As soon as the blockade was lifted, western goods poured in at a rate that

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

rapidly filled warehouses and storage places to capacity. West Berliners, quite naturally, first bought all the food they could eat, then sought clothing and other things. When Berliners began buying feverishly, their money went west and stayed there. Soon Berlin could not pay for most of its needs, because it had lost a large part of its market to competitors in the western zone.

Even before the blockade, Berlin was in a bad economic position. Although it was the largest industrial center in Germany, it has always imported more than it has exported. Before the war, it had a rich agricultural hinterland, and an army of officials and civil servants who spent a good share of the nation's tax money. It was the headquarters of central European business and finance. These sources of income, of course, no longer exist. Almost as soon as the bombs stopped falling on Berlin, the Russians moved in, and began carting off machinery, whole factories, railroad tracks, and even faucets and windowpanes. About twenty per cent of Berlin's industrial equipment was left when they got through.

The currency reform that brought economic revival to western Germany divided Berlin. It brought two different currencies, and the blockade. When the western commandants, at the height of the blockade last March, decreed that west marks alone would be valid in their sectors, they consolidated the gains made by the airlift, but they also deprived western Berlin of its trade with the surrounding country. To add to its other problems, the west Berlin government has had to convert most of the east marks earned by its citizens who work in the Russian sector at the unrealistic rate of one west mark for one east.

The Kremlin strategists knew all this, of course, when they decided to lift the blockade. They knew that the western island in their zone could remain independent only as long as it received loans and credits. They must have been delighted early in July, when the western commandants sent Mayor Reuter's city government a curt letter rejecting the budget on which the city assembly had agreed, and ordering a new one, balanced and "based on current circumstances and expectations."

That phrase, Reuter was told, meant that the subsidy of sixty million marks a month which the city had been receiving from Military Government funds would be reduced gradually and practically disappear by the end of October. This sudden move is explained by a recent decision, made in Washington, to subordinate the Army's private fund for Government and Relief in Occupied Areas to the total ECA funds for Germany. For a while, it looked as if Berlin would be cut off altogether, since it is not in Marshall Plan territory, but early in August, John J. McCloy, the American High Commissioner for Germany, announced that, as soon as the west German state is established, Berlin will be included.

West German officials promise that when the new parliament convenes, it will immediately tackle the problem of covering the 260-million-mark deficit in the west Berlin budget. But it will be many weeks before the parliament starts really functioning, and, in any case, making up the deficit alone will not save the city. Berlin needs huge credits and subsidies to exploit the only asset it has left—a large force of resolute, industrious, and skilled workers.

Actually, in spite of all the talk, west German political and economic leaders seem little disposed to help Berlin. Many privately blame the city's financial crisis on its Social Democratic government. There has been too much economic planning in Berlin, they argue, forgetting that during the blockade the city would not have survived without planning. Purchasing and distribution were highly centralized by order of the occupation bosses—not because Professor Reuter was following Socialist textbooks.

Strangely, the powerful Social Democratic Party, which takes most of the credit for the valiant stand in the blockaded city, is doing little to exert pressure on the west for aid to Berlin. The reported reason is that Reuter and Kurt Schumacher, the Social Democratic boss, are having a feud. Also, aid to Berlin would mean higher taxes for the rest of the west Germans—something no one liked to mention in the recent election campaign. But the most important reason seems to be that neither the Socialists nor the Christian Democrats are able or willing to contend with the strong and self-centered policies of the west German *laender* governments. These west German states, driven by a sort of provincial nationalism, are extremely jealous of local economic and political interests.

Nor are most west German businessmen interested in Berlin. They are now extremely eager to trade with eastern Germany directly, and are flirting with Communist trade delegations. When Fritz Selbmann, deputy chairman of the Soviet Zone German Economic Commission, came to Frankfurt recently to talk east-west business with members of important west German firms and banks, a man who had recently fled the Russian zone cautioned the others against doing business with people who would disown and jail them at the first opportunity. But he was talked down: "What has politics to do with interzonal trade?"

Obviously this attitude adds to the desperation of the Berliners. When you point out to them that the western powers are, after all, still committed to stay in Berlin, they mention Mr. McCloy's announcement that even more American offices are to be moved out

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of the city; the fact that Brigadier General Frank L. Howley, who was extremely popular in Berlin, has left; the rumor that another American battalion is being shipped out; and to the Allied order forbidding Berliners to elect their own observers to the west German parliament.

Two months ago, the words *modus vivendi* were generally dreaded, because Berliners feared that a compromise solution with the Russians could only come at the expense of independence. Today the number of those who would probably come to terms just to find jobs is rapidly mounting.

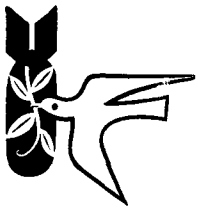
In Berlin's inner city the Russians are rebuilding a number of the huge marble government buildings the Nazis were so proud of. Goering's old air ministry, which now houses the east German Economic Commission, has been reconstructed. The Propaganda Ministry and the Russian Embassy are nearly so. These buildings will doubtlessly become the seat of the east German government once the western gets working, with all the "historical guilt of splitting Germany" attached to it. Communist Wilhelm Pieck is appealing to former Nazis to cooperate with the new "national front" which is being formed east of the Elbe. The Soviets are again spreading rumors that they will return Lower Silesia, as a birthday present, to the new eastern government.

Some people in Berlin say there is only one solution to Berlin's economic future and the new nationalist Bolshevist challenge: Make Berlin the western capital. For once, they say, the West would outdistance Communist "unity" propaganda. In the present squabble over whether Frankfurt or Bonn should be the capital, this last-minute suggestion to move to Berlin (which has far more space than either) might win a certain amount of popular favor.

Berlin is in grave danger. Unrest, unemployment, and bankruptcy can easily do what the Soviet blockade failed to accomplish. The loss of this city to Soviet totalitarianism would today be no less of a setback to our cause than it would have been on June 26, 1948, when "Operation Vittles," perhaps the most imaginative peacetime military accomplishment the world has seen, was set in motion. —PETER DRAKE

A Limited War, If Any

A Washington observer believes that our best chance for peace is to pledge, and prepare for, non-total war



Since the founding of the Republic, the American people have thought as seldom as possible about war, and about strange-sounding phrases like "war aims" even less. In the light of our isolation before the air age, this is understandable; in the light of our history, it is at least remarkable—for the colonists achieved their freedom by calculated military action, coupled with a deliberate, and enormously successful, propaganda campaign.

Perhaps because history had been forgotten, the question of whether or not to engage in the two major wars of this century divided the country along lines that obscured, rather than cast light upon, the basic issue: our war aims. "War will end war!" cried the interventionists. "We'll make the world safe for democracy!" "Nonsense!" countered the isolationists. "War never settled anything."

Both sides were uttering half-truths. And so, distracted by the quasi-plausibility of a black-and-white debate, Americans lost sight of the only valid generalizations—which are, first, that, while war never settles anything with finality, it has in times past helped to further the aims of democratic nations, and of democracy itself, and, second, that in any case, it cannot always be avoided. Many influential people hoped we could escape war by thinking about it as little as possible.

The penalty for refusing to think first usually is having to extemporize on the heels of the facts. The recent conflict with totalitarianism was no exception. We began it on the narrow basis of aid to the Allies. Pearl Harbor brought us in with both feet. An offhand remark by the Commander-in-Chief at Casablanca committed us to unconditional surrender. This idea made the psychological warfare campaign, which was just beginning to produce results, infinitely more difficult. It discouraged the anti-Hitler revolt among German officers, which, had it been successful, could have shortened the war. The protraction of the war enabled the Russians to occupy central Europe, which they still show no intention of leaving. It also, as Foreign Minister Bevin suggested recently, completed the economic destruction of the German nation, which we have since been laboriously and expensively trying to rebuild, almost from the ground up.

For good measure, we allowed the Allied bombing squadrons to pulverize a good part of a continent—although even Air Force officers were to admit later that past evidence, from the Spanish Civil War onward, indicated that area bombing stiffens civilian will to resist, inculcates an unappeasable hatred of the enemy, and, as the Strategic Bombing Survey clearly showed, is in any case a wasteful and only dubiously efficient means of breaking down war production.

Finally, we used the atomic bomb—*after* the Japanese had put out peace feelers.

But the best testimony to our strategic aimlessness during the war is to be found in the consideration of our objectives in that struggle. Aside from self-preservation, these were the creation of a stable peace and extension of the area of democratic control. We survived, but peace still eludes us. We defeated three tyrants, but we cannot claim that the area under democratic control is larger than it was in 1939.

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

And the remaining western democracies are so weakened that they can survive only at the cost of heavy financial and military aid from the United States.

Victories that bring so poor a recompense should serve to make us wary of making the same mistakes a third time. Unfortunately, we do not yet know whether our leaders—or, at any rate, our military men—have learned much from that experience.

The recent visit of the Joint Chiefs of Staff to Europe indicated that plans within the North Atlantic Alliance to counter the threat of Soviet aggression are well advanced. Defense Secretary Louis Johnson has told the country that our "dynamic" foreign policy consists of "attempting to guard the boundaries of the North Atlantic Community."

Omar Bradley, Chairman of the Joint Chiefs, has told the House Foreign Affairs Committee that the delivery of the atomic bomb in strategic attacks is thought of as the "prior" mission of the United States.

General George C. Marshall's testimony before the same committee revealed that no real information had been given the lawmakers by the Joint Chiefs, even in executive session, before they left for Europe.

The Joint Chiefs' testimony, however, together with certain apparently carefully rehearsed speeches emanating from the Pentagon, clearly suggest that two basic lines of action are under serious consideration: to use the atomic bomb on a saturation basis against Russian cities and industries, and to commit the Atlantic Alliance to a massive land operation in western Europe and possibly even in Russia.

By contrast, a minority in our high military councils strongly believes that both these approaches are wrong, that they would commit this country and its allies to a type of warfare—total war—which democracies cannot possibly hope to win.

It seems imperative that the average citizen should be given an opportunity

to hear the pros and cons of a debate upon which his very life depends. The time remaining is short. It can be profitably employed in asking—and answering—questions.

What is total war? It is, quite simply, unlimited war. It is the consecration to military needs of a nation's total manpower and resources. The "people's" army and the mobilization of the whole nation for war are, at the same time, the strength and the greatest danger of a modern democratic state. The picture of a nation in arms has its colorful and romantic aspects, but the reverse of the medal is not so pretty: On the home front, everyone must be poured into the military mold; on the enemy front, everyone must be destroyed.

Finally, total war spreads illimitably in time. Peace becomes impossible where there is no established authority to deal with. That, however, is only the legal or diplomatic side of it. In a far more profound and terrible way, peace becomes inconceivable when the institutions of a nation's life have been disrupted, its cities laid in ruins, its families scattered, its people degraded to the most cynical and brutal search for mere means of living. War then becomes permanent, goes underground, smolders as revolution, breaks out again in nationalism and interracial fury.

When they are in a mood of revulsion toward all of these terrors, people in the democracies turn too often toward pacifism or isolation; or they grope for a formula that makes more sense in the light of their own standards. Woodrow Wilson, to the horror of the alliance that was fighting to exterminate the Boche, spoke of "peace without victory." We can see now, with the experience of thirty years

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

added to Wilson's prophetic insight, what that devastating phrase was aimed against. Peace without victory seemed the only valid alternative to total war without end.

What Wilson was seeking, in his curiously tactless way, and what his critics were completely blind to, is the concept of a limited war. Through most periods of history, wars as a general rule have been limited; total wars, like the Thirty Years War, the French Revolution, or our own Civil War, have been the exceptions. Our nation was born in the middle of a series of limited wars, snatching its own independence in large measure through its ability to profit from the machinations and antagonisms of the great nations of that day. Yet for one reason or another, in the twentieth century we forget history; or we assume that we are somehow more advanced than those who fought limited wars before us.

Happily for us all, there are those—even among the military—who have not forgotten their history. Some of our wisest planners in the Pentagon are saying privately that if the democracies are to survive, they must return to the earlier concept of restricted war. They believe that we should immediately make it clear, both to our allies and to the Russians, that we do not propose to start a war, preventive or otherwise, and that, in any case, if war is started, we are not going to be the first to turn it into a total war.

They believe we should announce that we will not be the first to use atomic bombs, bacteriological weapons, or poison gas against civilian populations. If the countries of Europe should be overrun despite our best efforts to bolster them against such a fate, our friends must rely on non-cooperation and guerrilla tactics, for which we would keep them supplied, as the lesser of two evils—the greater of which (as they doubtless would be the first to agree) is to live in a battleground, and be ultimately "liberated" by massed armies. In lieu of 1944-1945-style "liberation," we could announce that we plan to select for our operations peripheral objectives, such as the Crimean oil installations. According to the same school of thought, we do not need to take upon ourselves the task of abolishing the Communist form of government in the U.S.S.R., or even in the satellites. If the warmaking potential which is totalitarianism's driving force, were removed, the *Politburo* and Cominform probably would disintegrate. In any event, the terms of peace would oblige Moscow to withdraw its armed forces behind the borders of the U.S.S.R.

What then, must be our strategy? We must, if possible, avoid war, and combat the idea of Communism with the ideas and accomplishments of democracy. Ideas can be countered by better ones, ones which produce better living, more freedom, and a likelier chance of happiness. Propaganda—including secret agents and all the rest of the paraphernalia of psychological warfare—bringing these facts little by little to the Russian people might ultimately free them of their belief that we are plotting aggressive war. A forceful statement of these principles could remove any suspicions about our motives from the minds of our allies and, in the event of hostilities, convince our enemies that to surrender would not be to invite a peace of annihilation—of national extinction.

There is no reason why there should be war now. A limited war, fought successfully, could hardly place us in a better position vis-à-vis Russia than that we hold at present—since we have already checked the Soviet advance westward. A total war, assuming we won it, would leave us in a world infinitely poorer, more disordered, more uncivilized. Our present strength makes us ready for any marginal conflicts that may break out; our possession of the atomic bomb gives us an overwhelming psychological advantage—since it is a deterrent to the recklessness of the Kremlin. By deciding not to use it unless they do first, we can show to our potential enemies as we could in no other way so dramatic and convincing, our concept of peace and war and our true aims as a nation.

Our military power can become a power for peace; but only if, after a full examination of all the alternatives, we decide to use it for peace. If we wait until the Russians possess an effective atomic bomb, and planes to deliver it, our restraints will seem to be imposed by weakness or fear. There are years still ahead when we can set the precedents and establish the great principles for the conduct of nations in an atomic age. But they are numbered years, and it is essential that our people as a whole, as well as our military planners, take steps immediately to make their position plain before the world. To make clear these limitations on our conduct would not require an act of impossible idealism or unrealistic self denial. For such a course is actually in line with our interests. —J. M. M.

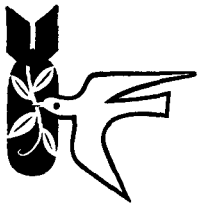
(This is the first of a series of articles in which writers holding various viewpoints will examine the relation between our military and political strategies.)

"The harnessing of atomic energy and its application at the climax of the Pacific war have tended to overshadow a most important point. Even before one of our B-29's dropped its atomic bomb on Hiroshima, Japan's military situation was hopeless . . . the epoch-opening fall of the atomic bombs on Hiroshima and Nagasaki *did not cause the defeat of Japan*, however large a part they may have played in assisting the Japanese decision to surrender. Japan was defeated already by the cumulative destruction of her capacity to make war." —Third War Report of General of the Army H. H. Arnold, Commanding General of the Army Air Forces.

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Our Military Posture

The generals and admirals are watching Secretary Johnson to see whether they must take a postwar rest or can sprint toward all-out preparedness



The posture of America's military men this summer is a crouch—from which the generals and admirals can either relax into the sitting position of peacetime or lunge forward toward objectives that they consider for the good of us all.

Their principal objective is to be able to repel quickly a Soviet attack anywhere in the Atlantic Community, especially, of course, on the United States, and to be able thereafter to beat the U.S.S.R. into surrender.

The highest-ranking officers of the armed services have settled on three propositions: (1) that war, while it may not be imminent, is bound to come sooner or later; (2) that the prudent thing is to expect it sooner, and to strengthen the air and sea forces so that they would be ready by the end of 1952 to fight a full-scale war; and (3) that in the meantime, the makers of American foreign policy should also concentrate on getting prepared.

To the men in the Pentagon, this line of reasoning leads to the conviction that the National Military Establishment must be at least twice as expensive as the present fifteen-billion-dollar-a-year apparatus. It implies also that the Armed Forces must have power to make decisions in the field of foreign policy, whenever, in their judgment, the physical security of the United States is threatened.

If war is inevitable, it follows that military men place no very great value on such enterprises as the United Nations and the President's Bold New Program for assisting underdeveloped areas; that they need not adapt their own policy to the normal ground rules of international diplomacy; and that they need not worry about subjecting the Federal budget to military strain.

If the safety of the country is at stake, and our military chiefs think it is, they believe that they know what to do about it—and that, at any rate, they cannot avoid their duty to try to do something about it. At times, this duty appears to transcend their responsibility to the President as Commander-in-Chief. When Secretary of Air Symington carried on his unauthorized drive for a seventy-group Air Force, he was excused in the Pentagon on the grounds his duty to the people was to let Congress know the risk it would be taking if it did *not* approve seventy groups.

As a result of this attitude, we have bomber bases in Britain, jet squadrons in Germany, and certain elements in the Army who were eager, in April, 1948, during the Russian blockade, to run an armed train through the Soviet zone to Berlin. Hence, too, the Navy's unilateral annexation of Japan's former mandates in the Pacific, under the diaphanous disguise of a U. N. "trusteeship"; and hence the reluctance of Secretary of Defense Johnson to ship steel plants to Tito.

All this is another way of saying that the men in the Pentagon have faith in their own method, which is physical force—just as other specialists have faith in theirs, whether it be the *satayagraha* of Gandhi or the curious remedies of Henry Wallace. The men who rise to the top of the nation's Armed Forces come up through a system that emphasizes the important ideals of honor and duty, but few others. The professional grows up, at Annapolis or West Point, in a world that contains mainly physical problems—unless "spik," the study of foreign languages, can be considered to have humanistic connotations.

The Joint Chiefs of Staff, no less than the midshipmen and cadets, live in a world of tangibles; and it is not part of their job to consider the complex possibilities of human behavior. The scientists have told Congress that the U.S.S.R. *may* have the atom bomb by next year. In the meantime, most military men maintain, there is no use speculating about whether or not the Russians will automatically decide to use the bomb once they acquire it.

America's military men do not believe in force, pure and simple; it must naturally, if possible, be overwhelming force. Here again their thinking habits were learned early and retained stubbornly. The impetus for victory comes from rear-area support; and woe to the commander who does not give his front-line troops twice as much of everything as they need. The rule of oversupply also holds good in peacetime, as the late Secretary Forrestal recognized when he commented on the instinctive urge of military men to fortify the moon.

When the armed services began, a year ago last spring, to estimate their needs for the current fiscal year, they first came up with a figure of more than thirty-two billion dollars. Then they corrected a number of arithmetical errors and eliminated some obviously overlapping proposals, and the total went down to something over twenty-nine billion.

Although they got stern and at times heated instructions from James E. Webb, the Director of the Budget, to observe the President's fifteen-billion-dollar ceiling, their next efforts did not quite reduce the figure to twenty-two billion dollars. For weeks, it stuck

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

there, while the forces waited hopefully for the November elections. When Truman won, the estimates suddenly tumbled to seventeen and a half billion. One last ultimatum from Webb, and they were brought down to the President's maximum.

While the Joint Chiefs agree about the importance of physical power, they have not been able to agree on what kind of power is necessary. Each service views military policy through the perspective of its own specialty.

When the Navy peers into the future, it sees the Soviet Navy beginning the next war with a vigorous submarine campaign to cut the transatlantic sea lanes. When the Air Force squints into the wild blue yonder, it glimpses a vast, atomic mushroom rising over Wright Field. The Army, for its part, sees Red battalions marching unhindered (except for the Military Assistance Program) from the Rhine to the Pyrenees.

Incidentally and perhaps inevitably, the civilian scientists in the Pentagon think that all three services are seeing not the next war, but the last one. What many scientists see is a war in which long-range bombing, for example, will be made impossible by defensive weapons that can be developed in the next decade.

The failure of these images to come into focus is a costly thing. It undoubtedly means that the American defense budget, dissatisfied as military men are with it, is larger than it should be, even with appropriate safety factors included. Take one example: The services want to develop appropriate counter-armament for *x* tons of Russian steel supposedly being turned into tanks, *y* tons going into naval vessels, and so on. But the services' *x*'s, *y*'s, and *z*'s add up to more steel than the Soviet Union can produce for all purposes.

These seem to be military problems, but the Pentagon's failure to solve them has already had an effect on foreign policy: A billion dollars saved in the National Military Establishment would have eased the fiscal pressure which, among other things, tempted Congress to cut funds for foreign economic aid. Indecision among the soldiers, in short, caused one of the main efforts of American policy to falter.

More than a century ago, de Tocqueville observed: "There are two things which a democratic people will always find very difficult—to begin a war, and to end it." But if the American military found it difficult to get out of the policymaking role it had assumed in wartime, it was not entirely the fault of the professional soldier.

To be sure, the military men exploited all the opportunities they could find to keep their rank and their tables of organization intact. But in many cases all they had to do was march into situations where civilians feared to tread or failed to offer competition.

The classic example of this, of course, was the American Military Government in Germany, and General Clay's

arrogation of policy as well as of administration. The State Department was twice offered the job of administering American affairs in Germany. Dean Acheson, then Acting Secretary of State, twice refused it.

The phenomenon was repeated dozens of times in SWNCC, the State-War-Navy Coordinating Committee, which, among other things, worked out an agreement on the Navy's Pacific trusteeships. The War and Navy staffs in SWNCC not infrequently overcame the State Department contingent simply by greater weight of personnel and paper.

In the new coordinating agencies established by the National Security Act of 1947, the military also rushed in to fill vacuums. The National Security Resources Board was largely staffed by delegates from the Pentagon—who tried to build it up into an operating agency for M-Day, rather than the staff agency the President wanted.

The National Security Council itself became something of a military preserve. While Secretary of State George Marshall was supposed to be senior man on this group, he often had to go abroad for long periods, and leadership passed to Forrestal.

This gave the military a useful and proper opportunity to modify foreign policy. It did not achieve the equal and opposite good of contributing a civilian perspective to the military. A task force of the Hoover Commission reported that the council, after a full year of existence, still had made no recommendations on the proper size of the military budget, despite a request from the President that it do so.

The extent of military influence in Washington obviously is not decided in a haphazard struggle between two groups of people, one in uniforms and the other in business suits. That influence also has risen and fallen as tension between the United States and the U.S.S.R. has waxed and waned.

The impetus for rearmament began when this country inherited British responsibilities in Greece in March, 1947. Military influence may actually have reached its postwar peak in last year's battle of the budget. That took place not only in face of electoral uncertainties, but also on the heels of reports from General Clay's headquarters that had made an early Soviet mobilization

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

along the western-zone boundaries appear possible.

Since that time, the military has begun to turn in the general direction of keeping the brightwork clean and waiting to see what happens.

The Pentagon took its budget defeat in good part. General Hoyt Vandenberg, the Air Chief of Staff, even told a Congressional committee that he wants a seventy-group air force only if Congress decides that "the country can afford it."

SWNCC was soon succeeded by the SANACC (State-Army-Navy-Air Force Coordinating Committee), a new group with much smaller jurisdiction, which a few weeks ago was abolished altogether.

The National Security Resources Board has been reformed by a one-man task force, in the person of Presidential Assistant John R. Steelman. The National Security Council's membership has been reduced so that the Secretaries of the Army, the Navy, and the Air Force no longer have seats.

The military posture, then, is a crouch. Whether the professionals straighten up and start sprinting will depend not only on the Russians, but also on Mr. Truman's attitude, and on relations between the Secretaries of State and Defense.

Mr. Truman, as Chief Executive, presumably will favor increasing, or at least maintaining, civilian restraints on the armed forces. Secretary Acheson, whose political influence on Capitol Hill is smaller than Secretary Johnson's, probably will go on pressing for as clean a division between military and diplomatic decisions as can be made in a muddled world. But the Russians and Mr. Johnson are unknown quantities.

Stalin may continue his present tactic of offering irritation rather than provocation in western Europe, or he may not. Mr. Johnson may decide to make his political reputation as an economizer in the Pentagon, or he may attempt to leave the National Military Establishment still better-heeled than it was when he found it. And one reason that the generals and admirals are not ready to relax into a sitting position is that they are not at all certain which of these things Mr. Johnson really intends to do.

—ARTHUR GROVER

Our Chance in the Far East

The solutions, an expert says, are technical help and encouraging the rising sense of nationalism

In its White Paper, the Department of State has published its own epitaph for the Chinese Nationalist government. With the fall of that government, about a fifth of the world's population and about a tenth of its area passes to the control of the Chinese Communists. Within that area is a great and ancient civilization, still powerful in its influence, still holding hidden reserves of vitality. Within it are coal and iron indispensable to the factories of highly-industrialized Japan; on its periphery are peoples in dangerous ferment—Indians, Burmese, Malayans—striving after progress, strongly influenced by events in China, and containing some of the world's richest supplies of tin, rubber, and oil.

According to the White Paper, the Chinese Nationalist government was defeated not because it lacked American aid, but because of its inefficiency and its progressive alienation of the majority of the Chinese people. The task now facing the State Department is reformulation of Far Eastern policy with two main goals in view—the encouragement of any tendencies toward deviation from the Cominform line that the new rulers of China may develop, and the encouragement in the whole Far East of improved economic and social conditions, which are the only effective deterrents to the further spread of Communism—in this area or in any other.

There are enormous difficulties in the way of such a Far Eastern policy—more, even, than there have been in forging our policy for western Europe. For example, there are practically no governments in the Far East well organized

Henri Cartier-Bresson—Magnum

Shanghailanders watching a parade of the victorious Communists

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

enough to utilize foreign aid effectively. Nearly everywhere in the area productivity is so low that economic aid, to be effective, must consist of something more than the "recovery" aid we are giving Europe; it must consist, primarily, of basic investment and help in the reorganization of Far Eastern communities to permit them to benefit from western techniques. The problem is made more difficult politically by the local lack of interest in the ways of western democracy as we know them.

The most complicating factor in the formulation of a successful American policy, however, is the fact that the whole of Asia is in the throes of revolution—a revolution stirred up by the West, but on whose crest the Communists are now riding. It was inevitable that the industrialization of western Europe and of the United States, and their organization into modern states, would finally destroy the worn-out social and economic structures of the Far East. The search for raw materials and markets, the heightened tempo of trade, the establishment of industries, the impact of modern medicine on the ratio of land area to population, the influx of new ideas, wore away the old organization of Far Eastern societies. The recent war accelerated the process. Today the Chinese, the Burmese, the Malayans, and other Asiatic peoples, finding the traditional means of living and working together inadequate, are demanding, with more and more vigor, a change—almost any change. For the time being, it is the Communists who have benefited most from this demand. They are professional revolutionaries; they have developed the best modern techniques for fishing in troubled waters.

Many of the cracks in the Far Eastern structure are products of colonialism for which the western powers are wholly responsible. The dissatisfaction with things as they are has become identified in great part with the systems set up by the western powers. The drive for change has expressed itself inevitably in surges of nationalism, with a resulting hatred of foreigners which manifests itself mainly against white nationals, who have always kept to themselves, in the Far East, with their own clubs and their own strictly segregated recreations, who have enjoyed a standard of living as much higher than that of a Chinese coolie or an Indian untouchable as the standard of living of a movie star is higher than that of a sharecropper.

But not all the factors in the Far Eastern situation militate against us in favor of the Communists. Nineteenth-century colonialism is fast having its teeth pulled, and will present a progressively less critical reason for differences between West and Far East. Twentieth-century Communism, on the other hand, is a new and more virulent type of imperialism. The native leaders of the Far East, who lead essentially nationalist movements, are bound to find themselves in conflict with the Communists rather than with the West.

At present, Communism in the Far East has vast appeal because it offers a change. In the long run, however, if it is to continue to spread, it will have to offer material benefits and an improved standard of living, which can be accomplished only through industrialization and the introduction of modern productive techniques. Here, we have the obvious advantage. The Soviet Union can produce barely enough for its own people, and, at that, must resort to despoiling its satellites, whereas the United States can produce more than it needs. Moreover, together with western Europe, we can produce more of the capital equipment that provides the only means of raising living standards permanently—turbogenerators to harness the waters of the Indus and the Yangtze, scrapers to build the roads, steel to build the railroads, and machinery to bring mineral riches out of the ground.

After the dazzling Communist successes in China, these advantages may seem academic. Their effects are long-range ones, and depend for success on modification of Asiatic attitudes over a period of years, whereas the Communists are making conquests and seizing resources now.

Yet have we any major alternative but reliance on these advantages? If we attempt to suppress by force native movements that flirt with Communism or have other characteristics unpleasant to our western eyes, whether we do so directly or through other governments, we can only succeed in bringing resentment upon ourselves. But if we become identified with the forces that are working for change, if we can demonstrate our sympathy with the desires of the Far Eastern peoples to shed their colonial status and to achieve a better standard of life—if we can, in short, present an alternative to Communism, most of the impetus toward Communism in the Far East will disappear. Even the Communist rulers of China will have to yield to the tide and cooperate with the West, or be engulfed by the demand for improvement.

Are we playing our cards so as to deprive the Communists of leadership in the Asiatic revolution? Amid the recriminations surrounding our past Far Eastern policy it is hard to tell, but there have been many recent indications that we are.

The decision of the State Department not to put forward a further program of military aid to the government of Chiang Kai-shek was a step in the right direction. The Nationalist government no longer had the support of the Chinese people, and to continue military aid to it would clearly have been an instance of opposing Communism with pure force, regardless of popular feeling. At the same time, the continuation of the ECA food program in Nationalist areas is a worthwhile move, indicating to the Chinese our concern for their welfare as a people, regardless of their government. Even if the Communists overrun the remainder of China, millions of Chinese will remember the ECA food supplies that came to them while their cities were blockaded and their countryside was ripped by civil war, and this memory will be a potent factor when the tide again begins to run in China, as it will, toward realignment with the West.

In still other ways, a positive policy seems to be emerging. There has been no effort on our part to ring down an Iron Curtain around China. In so far as the United States is concerned, as many as possible of the normal contacts between this country and the people of China are being preserved. Although obviously we are not going to sell the Chinese Communists jet engines or other weapons of war, we have not put up barriers to peaceful trade. Our missionaries will stay in China as long as the Communists permit. The ECA has begun work on a program of financial assistance to Chinese students in the United States, whose studies would otherwise have to stop.

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Henri Cartier-Bresson—Magnum

'Liberation' of Shanghai: Red soldiers on the street

The principal means by which we can move to the offensive is through the Bold New Program—Point Four of the President's Inaugural Address—and allied activities. A program of development being sponsored by the ECA in south Korea involves the construction of power plants and roads, a modern fishing fleet, and other forms of capital equipment. In the Joint Sino-American Commission on Rural Reconstruction, the ECA and some Nationalist officials have developed a working proof of how American technology can be employed in a framework of easy cooperation with local authorities. The Export-Import Bank has presented to Congress a plan for guaranteeing private American investment abroad against certain of the usual risks. The International Bank for Reconstruction and Development, with U. S. approval, is studying the prospect of making further loans to India for development purposes. Other agencies of the U. S. government, under the umbrella of Point Four, and in cooperation with the U.N. agencies, are beginning to send forth advice and technicians on matters ranging from the establishment of a Central Bank in the Philippines to the improvement of rice yields in Java.

Events in China have shown that the Communist leaders in that country intend to exploit to the limit the popular animosity toward the West. Point Four activities will take time to make themselves felt. The episode of the Dutch in Indonesia has been a setback, and, despite the example of the British in India, we can expect great difficulties in reconciling a policy of encouragement to nationalism in the Far East with the short-run interests of some of our Atlantic Pact allies. In Japan, after a fast start, we may be losing ground. The democratization of that country is now in increasing danger of becoming a screen for the return to political and economic power of a few well-established families.

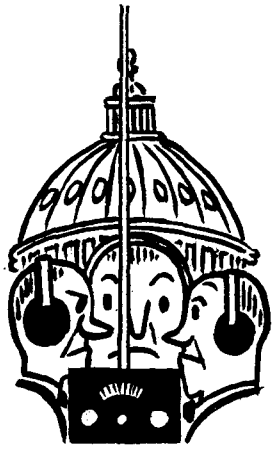
A particularly important decision faces us with regard to the Asiatic anti-Communist pact proposed by President Elpidio Quirino of the Philippines. A pact honestly aimed at countering aggression from the outside may be useful; one, on the other hand, that commits us to aid in suppressing, by force, internal movements which can better be countered by extending some of the economic benefits that they demand, can be dangerous to our whole position in the Far East. A Pacific pact, to be successful, must be a voluntary association of peoples working together toward greater political freedom and economic growth.

Basically, there is no reason to despair of the United States position in the Far East. We have the material means to assist us in winning the friendship of the Far Eastern peoples. As a country which started not very long ago as a colony, the United States should not find it an insuperable task to establish a moral solidarity with these nations, based on recognition of their right to national self determination, and on willingness to assist in the improvement of their economic lot.

—VINCENT CHECCHI

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

To Man's Measure . . .



The Ambassador

On August 15, *Pravda* published the following announcement: "The Chairman of the Council of Ministers of the U.S.S.R., J. V. Stalin, received the Ambassador of the United States, A. G. Kirk. At the reception, Minister of Foreign Affairs A. Y. Vishinsky was present."

That is quietly put; it reads like something in the Court Circular of the London *Times*; it is old-fashioned and stately; it contains no gossip.

In America the newspapers reported this meeting with the usual speculation as to how it went off, and the foreign correspondents, after discussing the matter with their diplomatic acquaintances, concluded that the reception represented a step toward "normalization."

Americans will be pleased to see that Admiral Kirk has not left Moscow in a fury before he even got there, that the embassy announced that his call on Stalin was a "formal matter of protocol," and that the ambassador said, as he left the Kremlin, that the conversation had been "courteous and pleasant." They will not be displeased to know that we have an ambassador functioning normally in the capital of a nation governed in a way we do not like.

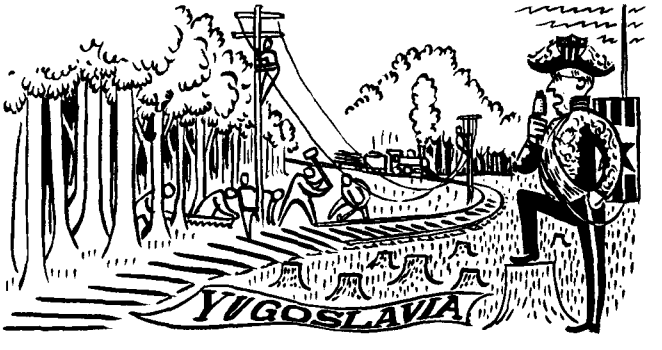
Recently we have had some curious ideas about ambassadors and embassies. We have thought that when we send an ambassador somewhere it is like giving the foreign head of state a medal, and when we withdraw an ambassador it is like telling a foreign country to go stand in the corner and take its punishment.

There is a pleasant little question that amuses philosophers: "Does something cease to exist when there is no one there to see it?" We seemed to have resolved that question in the affirmative. All we have to do is not to be somewhere and the evil men will vanish. That was the liberal theory about the Vichy régime. Were we to give Pétain a medal for collaborating with the enemy? asked the liberals.

It is useful, in a way, to go back over all that. Secretary Hull took all of the abuse, since the liberals did not dare attack Roosevelt himself, or the Allied High Command. Week after week, while the presence of our diplomatic representatives in France brought courage to those elements within France that still hoped for an Allied victory, the liberal attack on our diplomatic representation continued. The State Department, Admiral Leahy, and Mr. Murphy were betraying the cause of freedom, said the American liberals—and rushed to have dinner with the Free French at the Waldorf. And when the North African invasion, for which our Vichy policy had provided much groundwork, succeeded, they said that we would enter France bearing no pure flag of freedom, but carrying on our stupid backs all the Frenchmen who were too reactionary even for Vichy. There was plenty of reason for complaint. Darlan, Peyrouton, and the rest who became camp followers, were inacceptable, and not only to liberals; and it is true that a policy that was simply opportunistic, and justifiable that way, was accompanied by ridiculous attempts at moral justification.

The mistake of the liberals was in thinking that the only "living" part of France was de Gaullist, and that the rest of France was dead. They wanted to send an ambassador, complete with embassy, to de Gaulle in London. That is to say, they wanted to send an ambassador to influence a man who was already persuaded, and did not want to send one to counterbalance in France the presence of the enemy, to find out what he was doing, to propose other advantages to the officials he was corrupting, and to show a confused and uncertain régime that America was present in Europe with ever-increasing strength. An ambassador goes where his government needs him, and that is not necessarily among friends.

In France, before the war, Gaston Bergery, who was later to become Marshal Pétain's ambassador to Turkey, ran a weekly newspaper to promote his personal ideas. They were mainly concerned with Germany, and were influenced by the consideration that since Germany was more powerful than France, it would be wise to avoid another Franco-German war. This paper, called *La Flèche,* always carried the following aphorism on its front page: "It is with one's enemies, not one's friends, that one makes peace." Taken in conjunction with what later happened to France, the phrase is not perhaps the most fortunate, and it is no wonder that Bergery was later tried for collaboration. (He was acquitted, though.) But it is an idea that we should not forget when we talk about ambassadors and their duties. Our ambassadors have had and will always have the most useful work to do with those who are opposed or indifferent to America. Charles Francis Adams, the



PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

American ambassador at the Court of St. James's in 1861, when Britain favored the Confederacy, knew this well, and so did Seward and Lincoln, who had sent him there.

A sort of awkward emotionalism seems to have invaded the minds of some of our diplomats. The case of our embassy to Argentina provides an example. Our two most recent ambassadors were, in opposite ways, undiplomatic. Mr. Spruille Braden seems to have quarreled so violently and publicly with Peròn that he may have contributed to his election as president. Mr. James Bruce, who is in Argentina now and seems unusually happy to be there, resembles the young man who cannot have dinner with a girl without declaring eternal love. It appears, for instance, peculiarly unnecessary for him to say: "I know that President Peròn and the Argentine people, whose great nation at the southernmost tip of this Hemisphere is a vital bulwark in any plan of defense against foreign threats to the Americas, see the realities of the situation clearly and are taking practical means to combat it."

Even Mr. Arthur Bliss Lane, who was not long ago the American ambassador to Poland, fell to pieces emotionally when the Communists came into control. He resigned. It is true that he did not fall to pieces intellectually, for he states in his book, *I Saw Poland Betrayed:* "I believe that it would be most inadvisable to break diplomatic relations to indicate our dissatisfaction; for nothing would be more satisfactory to the Communist clique than for us to withdraw our influence and prestige from Poland."

There is no thought here whatever of asking our diplomats to be Machiavellian. But those who represent American policy abroad certainly require a sort of hard-boiled detachment. An ambassador is a technician; technicians do not fly into rages, nor slobber, when things go wrong.

It is this matter of right and left, Communism and Fascism, seen in black and white, that still prevents American diplomats from acting with the complete freedom they must have in order to present their views and wield their influence, on the spot, everywhere. We have withdrawn from Spain, for instance, and yet Franco has not abdicated in sheer disappointment or taken his Moors back to Africa. The case of Spain seems the perfect example of the utter futility of the policy of breaking relations, and an argument for sending an ambassador to Madrid can be made in strong and compelling terms. Senator Taft has made it: "There is no reason in the world why we should not grant full diplomatic recognition to Spain and send an ambassador to Madrid. Whether the American people approve the policies of the present Spanish government or not, has no bearing on the question of diplomatic recognition. The United States policy has never demanded that foreign governments conform to American political principles before we will establish diplomatic relations. We send an ambassador to Stalin and many other dictators whose form of government we violently disapprove."

But immediately after Senator Taft delivered these reasonable arguments, he disrupted the whole thing and played directly into the hands of those who oppose representation in Spain. He said: "Certainly, the State Department should rectify at once its glaring inconsistency and shake loose from the Communist-front philosophy which seems to have guided its Spanish policy up to this time."

This is the same emotional confusion: the Communist front against having an ambassador in Spain, the freedom front against having one in Vichy, the conservative front against having one in Moscow, and all these people blinded from seeing that we must have one everywhere. That is to say we must be represented wherever the power of government is organized in such a way that it shows a guaranty of lasting—whether we like the way that power acts or not.

A Note on Spies

A bill passed by the House this summer (74-1) allows the Central Intelligence Agency to do its hiring and spending in a secrecy not allowed other government agencies. It also allows the agency to bring into this country every year up to a hundred aliens who have helped United States intelligence operatives abroad. The House was told that full details of how this would work could not be discussed in debate.

We always knew the "others" were doing it; now we know that we are doing it. Incidentally, the employment of alien operatives has been traditionally a gloomy business, from the time we first used Indian scouts to lead our invasion of their country. Alien operatives—even those who act through love of democracy—must sometimes betray their people. We are glad that some provision for them is made, and hope that the other side will reciprocate. Spies have a harder time than ambassadors. —G. P.

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Indiana

Rent Decontrol in Marion

After the rain, the sun blazed through a shredding cloud, and the streets of Marion, Indiana, began to steam. Under the fans in the main dining room of the Spencer Hotel, the Kiwanians perspired at their regular Wednesday luncheon. The stores are closed in Marion on Wednesday afternoon, and Kiwanians can dawdle over lunch until 1:30 that day, although there are always a few who become uneasy and slip away about 1:15.

The realtor was saying he wouldn't wear a coat if you paid him, a somewhat conventional defiance of convention in Indiana. The mercury had been standing at ninety-five degrees at noon every day for two weeks. Hell, he went on, it didn't look like anybody was going to pay him for anything, including real estate, the way it was going in Marion this summer. A guest from Wabash, a shoe man, mildly protested that after all Marion had had one big break this summer—decontrol of rents.

"You can take it from me," said a fat man, thrumming his glass. "Nobody's making a damn dime out of that. The law of supply and demand has took over. They ain't got it to pay this summer."

"Anyway," said the realtor, "we got a pretty decent bunch around here. They're not going to take advantage."

"It's not the people around here you got to worry about," said the fat man. "It's that New Deal crowd down in Washington. They're still callin' the figure. How about that, Willard?"

Willard G. Blackman is the mayor of Marion. This is his first public office. He folded his napkin.

"Tighe Woods went along with us," he said. Woods is Federal Housing Expediter.

"Willard's a Democrat," the fat man told the visitor from Wabash, "though sometimes he acts damn near human."

The gavel banged. The Kiwanians rose and moved toward their straw hats.

As close as Mayor Blackman can estimate, Marion has a population this summer of 30,400—3,633 more than it had in 1940. It is the seat of Grant County in north central Indiana, an upland region of large, prosperous farms started by Scandinavians, Germans, and Scotch-Irish, and mostly still held by their great-grandsons. The community has listed its assessed valuation at twenty-three million dollars for years. About seven thousand men and women are normally employed in the town's foundries, box factories, furniture plants, radio and automobile-fabricating concerns. The radio plants began laying off in March. In April, other industries followed. By the end of June, the Employment Security Division was processing about thirty-five hundred claims a week for unemployment compensation.

Employment was already falling sharply when a resolution to decontrol rents was introduced in the city council in April. The decontrol measure was backed by the Chamber of Commerce and the real-estate board. They pointed to the construction of eight hundred new houses in the Marion area, and asserted that sixty per cent of residents owned their own houses.

The CIO Industrial Union Council bought fifteen-minute radio spots to argue that the housing shortage had definitely not ended. The more influential AFL craft unions, uncertain how decontrol would affect the building trades took a neutral position. The all-Republican city council passed the resolution unanimously May 3. It was signed by Mayor Blackman and sent on to Governor Henry F. Schricker, a Republican. In Indianapolis, both the Industrial Union Council (CIO) and the State Federation of Labor (AFL) opposed decontrol on principle, and cited the unemployment situation in Marion. The governor disregarded them, approved the resolution, and sent it to Washington. Marion became the first city in Indiana, and one of the first three in the nation, to be freed of controls by the Housing Expediter on June 16, under the local-option amendment to the Federal rent law. For that reason it has become Exhibit A to larger Indiana cities, still under controls.

Wildcatting in rents had not started in the first three control-less weeks. For one thing, the renting of residential property in the town is usually a personal kind of transaction. For another, real-estate men are quite solidly agreed that increases should be kept small. They are fearful that an outbreak of gouging would bring control back faster than it was taken off, since the council has the power to rescind its resolution, and undoubtedly would, if it became generally unpopular.

The last time that Federal representatives from the Area Rent Administrator's office spent a day in Marion, they heard five complaints about rent increases, which averaged five dollars a month. Mayor Blackman has received

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

four complaints. Governor Schricker's office has received one—from a woman who wrote that the rent her parents were paying for a three-room, semi-modern dwelling had been raised from $17.50 to $22.50 a month. The average monthly rental in Marion under controls was $26, according to the Area Rent Office.

Mayor Blackman believes that decontrol came at the right time.

"With so much unemployment," he said, "anybody who wanted to gouge couldn't get away with it. Tenants couldn't pay. In a town like this, gougers would be spotted and they'd be mighty unpopular. It's like the army. If one guy gets out of line, you put the heat on that guy.

"We don't have any line-up for rentals. I never did see a queue at a FOR RENT sign here. Another thing, I never did like too much government interference in a man's business."

Robert M. Sisson, a realtor who handles about 150 rentals in town, said he did not intend to increase his rents. He didn't think the market would stand for it.

"It's all over," he said. "It's getting so tough I do believe it's normal again."

A barber has been renting for fifteen years, at thirty-five dollars a month. He has made his own repairs since the beginning of controls, and expects to continue making them.

"If they raise my rent, I'll raise my haircuts," he said. "Everybody knows that's the way it works. I haven't heard anything. I don't think the decontrol makes much difference anyway. They'd find a way to raise if they wanted to, controls or not. There's too much government nowadays. A man can't keep up with it."

An old man sat on the courthouse steps in the shade, looking across the street, where a young woman was wheeling a baby carriage slowly past the five-and-ten. It was breathlessly still in the late afternoon, and traffic trickled around the courthouse square.

"I'm seventy years old," said the old man, rubbing his hands on the knees of his blue overalls. "I never seen nobody ever starve to death in this town, not even a dog. I tell you the best thing that could happen to this town is for it to be let alone." —RICHARD LEWIS

Congress

Ambassador from Nevada

Patrick Anthony McCarran seems to believe the theory that Senators are ambassadors from their states. He represents the Nevada miners and ranchers, who have elected him to the Senate three times, in Washington just as the French Ambassador represents France.

Because of his long service (he is outranked by only seven Democrats), McCarran is now in the most influential position he has ever held. He is chairman of the Judiciary Committee, chairman of the Joint Committee on Foreign Economic Cooperation (the ECA watchdog committee), and chairman of the Appropriations subcommittee that handles funds for the State, Justice, and Commerce Departments.

He reached this eminence on the votes of fewer people than any other Senator, except his Nevada colleague, George Malone. The last time McCarran was elected, in 1944, he received 30,595 votes. The same year, Robert F. Wagner won the New York Senatorial election with 3,294,576 votes.

This doesn't bother McCarran at all. He is a staunch champion of the rights of small states, and voted with the Southerners against an anti-filibuster amendment to Senate rules, because he saw it as an effort to undermine small-state influence. He has, in fact, done some filibustering himself—against bills to reduce the price of silver.

McCarran is best known for his unremitting support of silver, but he has performed—or tried to perform—equal services for certain other Nevada interests—miners of other ores and minerals, wool growers, cattle ranchers, and even the divorce lawyers of Reno. He has sponsored numerous miner-subsidy bills in one form on another and he has led the attack of the cow lobby (so far with only partial success) on Federal public-land policy.

A couple of years ago, when the Supreme Court seemed to be casting a doubtful eye at the legality of Nevada divorces, McCarran denounced any such tendency as an invasion of state sovereignty. He retaliated with a proposal that Congress require all states to recognize divorces granted in all other states. This was not an invasion of the sovereignty of the other states, McCarran believed, but a strengthening of the "full faith and credit" clause of the Constitution.

Few of McCarran's bills are as simple as this one. Most of them deal with complicated technical subjects, such as public lands, mining, aviation, and administrative law, and are offered in the form of amendments to existing statutes, so that their real purposes are frequently not obvious.

McCarran is himself a lawyer of considerable attainments. He was formerly on the Nevada Supreme Court, and is an authority on western water law and mining law, on much of which he made important rulings during his term as a judge.

Aside from his more or less provincial efforts to further the welfare of Nevada, McCarran's chief activities have been in the fields of aviation and administrative law. He sponsored the Civil Aeronautics Act of 1938, the Federal Act of 1946 aiding airports, and the Administrative Procedures Act of 1946. For several years, he has been beating the drums for a single, massive American airline to conduct foreign commerce. This proposal is favored by Pan-American Airways, and opposed by practically every other airline, as well as by the Army, the Navy, the Departments of State, Justice, and Commerce, and the Civil Aeronautics Board.

McCarran has lately become alarmed

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

about subversive activities, and in particular over the fact that under the present immigration laws subversive foreigners might be able to sneak into this country. He and the Justice Department are sponsoring a number of intricate, harsh bills to curb this sort of thing. McCarran's anti-subversive crusade has made him the subject of an official protest from the United Nations to the State Department. This came after he released the testimony of an anonymous witness who charged that the U. N. Secretariat was being used to promote Communist activities.

McCarran has also been widely publicized this year for his refusal to report amendments to the Displaced Persons Act. (His Judiciary Committee handles all immigration bills.) A Catholic, two of whose four daughters are nuns, McCarran denies flatly that the Act discriminates against either Catholics or Jews. A good many people, including President Truman, who want it amended, disagree.

At the same time, however, McCarran is sponsoring a bill to let down the immigration bars against Basque sheepherders because though many of them oppose Franco, they are more in demand in Nevada.

At seventy-three, McCarran has already announced that he will stand for re-election next year. If he wins, he will be eighty when his next term expires. That is not too old by Senatorial standards.

Politics in Nevada, as in any sparsely settled state, is highly personal, and McCarran calls an extraordinarily large percentage of the extraordinarily small number of voters by their first names. The state is normally Democratic, but McCarran may have a fight in the 1950 Democratic primary. He has had in the past the support of what organized labor there is in Nevada (the strongest being the railroad brotherhoods), but the more liberal wing of the Democratic Party is getting tired of him. Nor is he on good terms with the Democratic Governor of Nevada, Vail Pittman, a brother of the late Senator Key Pittman.

Silver-haired, short, fat, and red-faced, McCarran is not unlike Hollywood's conception of a Senator. He usually speaks in a thin, high-pitched voice that is quite hard to hear in the Senate, and that sounds a bit strange, coming, as it does, from a huge chest. On occasion, when he is orating and not simply talking, he puts more volume into it, and it then develops a sing-song, emotional quality reminiscent of old-fashioned camp meetings and stump political rallies.

McCarran was born in Reno, of Irish immigrant parents, in the days when the West was as wild as the adventure books make it out to be. His father had come over to Canada as a stowaway, crossed the border, joined the U. S. Army, and gone west. When his enlistment expired, he exercised his right to take up public land and built a ranch, which the Senator still owns. The younger McCarran herded sheep and studied law at the same time, then practiced in boom mining towns, and was elected to the Nevada Legislature when he was twenty-six.

Almost fifty years later, he is still, he says, "plain Pat McCarran, cowman, trying to do the best I can with the talents God gave me." Among these talents is one for logrolling, or exchanging legislative favors, the principal method by which McCarran has won power. His success along these lines has been so striking that Harold Ickes, after he resigned as Secretary of the Interior, was led to remark: "Nevada has no oil, for which the country may thank itself, because if it had, the Honorable Pat might insist upon boosting the price as he has that of silver." (Of Ickes, McCarran says, "I've got no use for that blatherskite.")

McCarran was put on President Roosevelt's purge list in 1938 because he opposed the Supreme Court packing plan, but he usually votes with the Administration (unless Nevada, or one of his other major interests, is involved). His record on labor, for example, has been just about perfect, from labor's point of view. When he was ill in 1947, he received an armful of red roses bearing the message: "From the railroad workers of America to one of their best friends, with ardent hopes for a speedy and permanent recovery."

By supporting the Administration on issues, like labor, that are not personally important to him, McCarran builds up political capital that may be useful to him later on issues that are important.

As a member of the Appropriations Committee, McCarran has a good deal to say in giving favors to, or withholding them from, other Senators in the form of home-state public-works projects. As chairman of the Judiciary Committee, he is in a position to expedite or pigeonhole private claim bills against the government, and also to delay or speed many judicial appointments.

For a long time, McCarran has had an alliance with the Southerners. It is based partly on their common respect for the filibuster and partly on *quid pro quo* deals involving cotton on one hand and western ores and minerals on the other.

Since the Reciprocal Trade Agreements reduce tariffs on copper, manganese, and other metals, McCarran opposes them. He usually suggests that all the agreements be sent back to the Senate for ratification, where, of course, logs can be rolled.

"Logrolling!" he snorted during the debate on reciprocal trade in 1940. "I wonder if there is any logrolling going on now. I wonder where the logs are. I wonder how far they are rolling. Logrolling is charged in the effort to continue a policy that is violative of the plainest and most emphatic provision of the organic law."

Six days later, he said: "Ever since I have been in the Senate, western Senators—and I am very happy to say that I have been one of them—have supported a subsidy for cotton, and have stood for the protection of cotton. I am now looking to my brethren from the cotton-producing states to support copper so that we may keep on the em-

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ployment rolls American citizens who constitute the red blood of this country, just as we have tried to protect the industry of the cotton-producing states."

This was what was behind McCarran's proposal to furnish Spain fifty million dollars in aid this year. The possibility that Spain might purchase silver to help stabilize its currency was in the background, but the primary drive for helping Franco came from persons seeking an outlet for cotton.

"Why aid Spain?" McCarran asked himself on the Senate floor. "First of all, so she can trade with the United States for those things that we have surplus here. Why will we isolate a market for our surplus commodities? And if by doing so we will assist a nation which has fought the enemy for twenty-five years to maintain her integrity, why in God's name do we refuse aid?"

Before Pearl Harbor, McCarran was one of the more prominent opponents of President Roosevelt's foreign policy. He opposed the draft, in 1940 and 1941, and voted against lend-lease. Since the war, he has generally accepted the major points of the bipartisan foreign policy, but he has recently been carrying on a private vendetta against the State Department.

His current interest in foreign policy stems from his interest in the silver mines of Nevada. He is for aid to Nationalist China, because he thinks that Chiang Kai-shek's government is the only barrier against the Red horde sweeping across Asia. But any practical program of Chinese rehabilitation would, of course, involve currency stabilization, and McCarran is convinced that the only practical way to stabilize Chinese currency is to base it principally on silver. This leads to the next step—a world price of silver guaranteed by the United States just as the world price of gold is. He thinks the silver price ought to be $1.29 an ounce, compared to the Treasury's price for domestically-mined silver, set by law (at McCarran's urging and over the vehement protests of the jewelry industry of New England), of 90.5 cents, and a market price in New York that is now around seventy cents.

"As a member of both the Senate Committee on Appropriations and the Congressional watchdog committee," he said last year, "I would look with favor upon a program to aid the Republic of China to acquire the large amount of silver needed for the restoration of the silver standard and thus help the recovery of China's war-torn and sadly neglected economy." If the Chinese will not go in for silver, the Senator's ardor cools. "Until I am convinced of the good intentions of the present government of China to administer honestly and efficiently a new currency system based primarily on silver," he warned, "I should be reluctant to approve any proposition for furnishing additional funds which might in any manner be used to prolong the present state of economic unrest. . . . The free coinage of silver must form an integral part of the new currency system." —P. H.

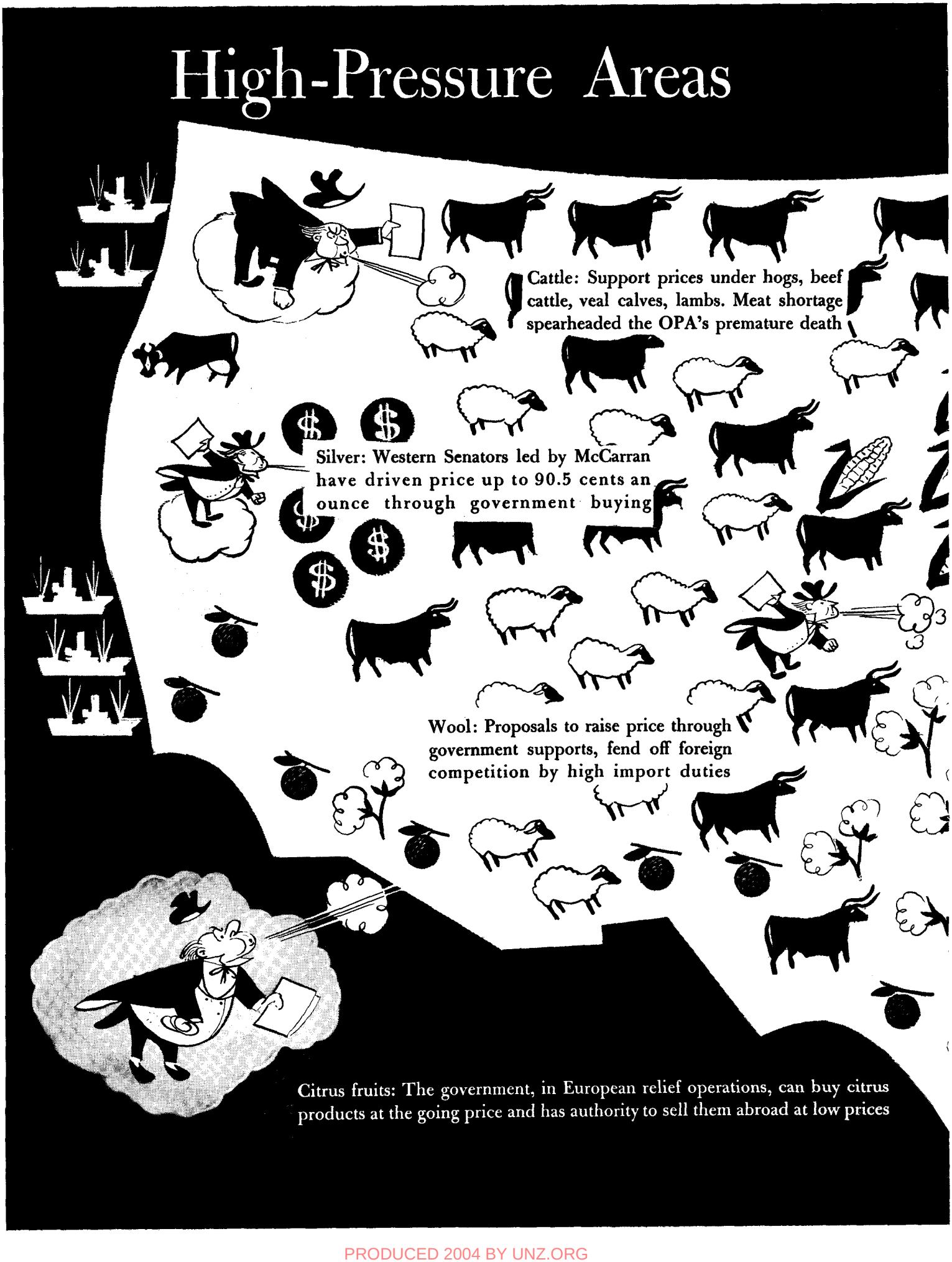
The tung-nut and honey lobbies joined forces in the House of Representatives recently to push through a bill providing price supports for tung nuts and honey. There was not even enough opposition to require a record vote.

Most members found strong reasons of home interest to support these commodities. Clarence J. Brown, Republican, of Ohio, for example, was concerned about assuring a supply of tung oil for certain industries in his district. Walter K. Granger, Democrat, of Utah, reminded the members that "naturally every one of you have honey bees in his district." Harold D. Cooley, Democrat, of North Carolina, pointed out that *he* was not concerned about honey, but about fifty or more important American crops that depend on bees and other insects for pollination.

The powerful tung-nut-honey alliance resisted an effort by William S. Hill, Republican, of Colorado, on behalf of the American Angora Rabbit Breeders Cooperative, to add Angora rabbit wool to the bill. It boisterously defeated a motion, made by Jacob K. Javits, Republican, of New York, to send the bill back to committee. Presumably neither bees nor tung nuts are to be found in quantity on the upper west side of Manhattan.

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

High-Pressure Areas


Cattle: Support prices under hogs, beef cattle, veal calves, lambs. Meat shortage spearheaded the OPA's premature death
Silver: Western Senators led by McCarran have driven price up to 90.5 cents an ounce through government buying
Wool: Proposals to raise price through government supports, fend off foreign competition by high import duties
Citrus fruits: The government, in European relief operations, can buy citrus products at the going price and has authority to sell them abroad at low prices

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Dairy products: Proposals to handicap sale of margarine by putting high state and Federal taxes on it
Corn: Gillette amendment for fifteen per cent of ECA corn shipments to be in form of grits, meal, or flour
Tobacco: Amendment to Aiken Act exempting it from sliding scale of supports and giving it permanent support at 90 per cent of parity
Cotton: The government support price of 30.26 cents a pound is almost three times the pre-war market price. Resistance to butter group's attempts to hold down margarine, made from cottonseed oil
Shipping: Magnuson amendment to ship half of ECA goods in American bottoms
REG MASSIE

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Economics

If Depression Comes—

The gradual decline in business activity that began last November may or may not turn out to have been the start of the great postwar depression the world has been fearing. There are valid reasons for thinking that the current recession will not, in fact, degenerate into a serious economic crisis. Moreover, there are many who think that a major depression, *à la* 1929, simply can't happen in the foreseeable future.

However, the fact that there are divergent diagnoses of the situation reminds us that no one knows enough to be sure that another acute depression is impossible. The New Era faction—the utter optimists—of 1949 may have much more of a case than did the New Era faction that was proved so wrong in 1929. But both the uncertainty and the stakes are high. It is worthwhile considering how well we will be prepared to deal with a serious depression *if it comes.*

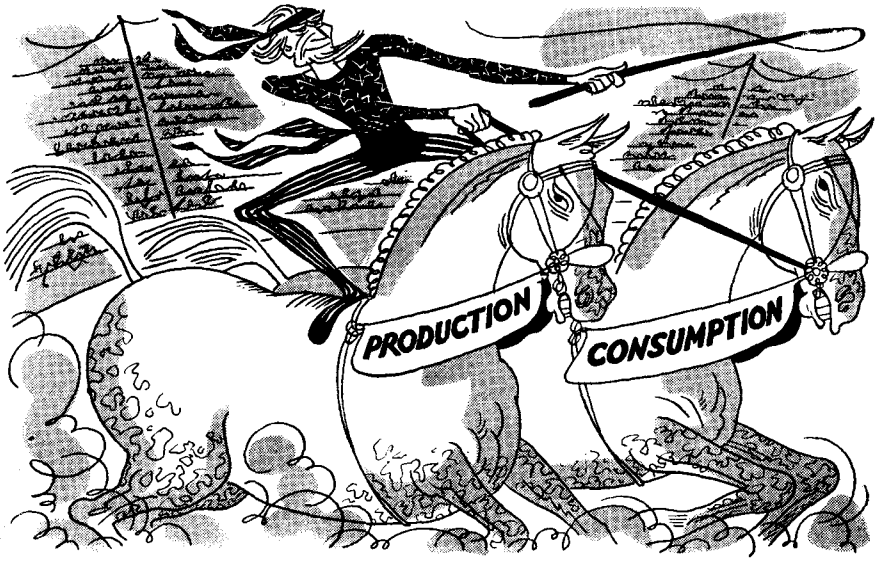
The resistance of our economic institutions to depression has been greatly strengthened in the past twenty years. Unemployment compensation, farm-price support, big budgets, the pay-as-you-go income-tax system, the liquidity of our banking system—all are built-in stabilizers that serve to protect the economy against wild fluctuations.

Some things can still be done to fortify these built-in stabilizers and assure that we get their fullest shock-absorbing benefit. But it is most probable that we shall go through the next decade or so with only about the same precautions we now have. It is unlikely that by reinforcing the present ones we can *assure* the avoidance of depression. The start of a major depression would of course indicate that these measures had not been adequate, and that some policy other than reliance on them was necessary. The main problem would then be whether we had the intellectual and ideological capacity to agree upon an effective course of action.

When the war ended it looked as if the basis for such agreement did exist. General approval of a kind of neutral and austere compensatory fiscal policy, permitting budget deficits in depression, seemed possible. It is amazing, and instructive, that the war and the passage of time should have brought about an apparent reconciliation on budget policy, which all the bitter debate during the depression could not produce. What the war contributed was this: First, by greatly strengthening organized labor, the war years shelved the idea which many conservatives had in the last depression—that wage reduction was the way to cure unemployment. Whether or not wage reduction can cure unemployment remains an unsettled theoretical issue. The growth of labor's power during the war has insured that it will remain so.

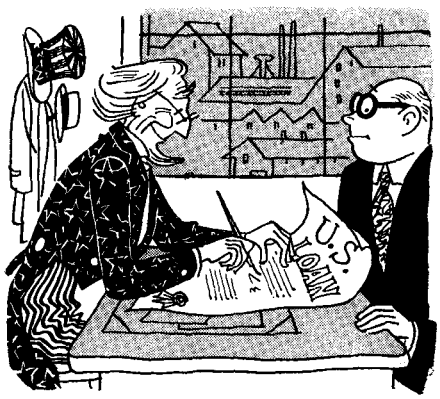
Second, the expansion of the Federal debt to $250 billion made all the prewar Republican campaign talk about the catastrophe that could occur if the debt went over fifty billion dollars sound silly. The conservatives are still concerned about the size of the national debt. But they are less confident of their ability to locate a point at which further increase becomes intolerable.

Third, and most important, the war provided an opportunity for reconsidering the New Deal with something like emotional detachment. It became possible to disentangle what was objectionable in the Rooseveltian recovery-and-reform program from what was not. To many conservatives it became clear that what they disliked was not the deficit as such, but the expansion of governmental activity and regulation, inside and outside the budget. They saw that deficits—even big deficits—could be created without increasing government control over, or competition with, private activity. Deficits could be created by increased expenditures for "normal" government purposes, and by tax reduction. Moreover, businessmen especially had seen in wartime what a really controlled economy looked like.



PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

At the end of the war, then, the outlook seemed bright that conservatives and liberals would, in the event of a serious depression, be able to agree upon and execute some kind of a policy of deficit finance. Such a policy would involve a big new public building program, in addition to the automatic increase of unemployment-compensation and farm-price-support payments. It would involve tax-rate reductions, in addition to the automatic decline of tax collections. Agreement on such a policy wouldn't have been unanimous. There still are "annual-budget-balancers." Many conservatives would regard this program as a very painful concession. Some liberals would want to go much further. But still it appeared that sufficiently broad agreement was possible.

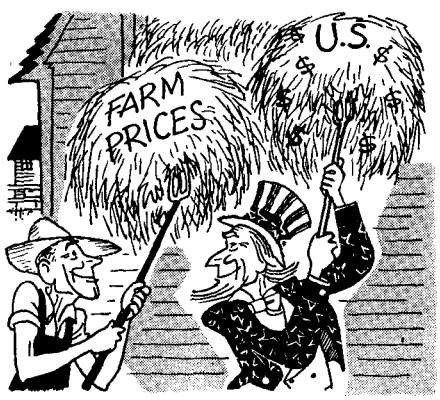


Today, the outlook is different. Plans that go far beyond a neutral policy of deficit finance will be advanced by important groups, in the event of a bad slump. These plans will be the subject of great controversy. And in this controversy the area of agreement may vanish altogether.

The new major issues of economic policy relate to wage-and-price behavior, and to economic "balance." Both were vigorously debated during the postwar inflation, but without resolution of the basic questions. There is now every indication that the debate would become still more intense if a depression started.

The current emphasis on wage-and-price policy is a curious, inverted return to pre-1930 doctrine. Before the great depression, the belief was common among economists and others that a general wage reduction would increase employment. During the depression, the practical difficulty of achieving any blanket wage reduction became widely recognized. Then, too, the new Keynesian economics cast doubt on the theoretical validity of the proposition that a wage cut, even if it could be achieved, would increase employment. The emphasis of economic reasoning and policy shifted to "overall" measures—pumping income and money into and out of the private sector of the economy.

During the 1940's, and especially since the war, wage-and-price policy recovered some of its lost eminence. The Keynesian argument that a general wage *reduction* probably would *not* reduce unemployment was carried to the point of insisting that a wage *increase would* reduce unemployment. Whether the new position is more valid than the pre-Keynesian one is still highly uncertain. But it is highly important, because important groups subscribe to it. Obviously, the theory that wage increases help employment is a convenient one for militant unions, which have been quick to seize and use it. Naturally, however, there is sufficient opposition to this higher-wage route to full employment to make it certain that wage policy will be an area of sharp debate in a future depression.



The second highly controversial issue, in the event of a serious depression, is likely to be the propriety of government efforts to restore or achieve "balance" within the economy. An apparently growing school of thought holds that any fundamental approach to economic stability requires direct attack upon the problem of "balance"—between consumption and investment, among different kinds of production, among investment in different industries, among different prices, and among different geographical regions. This idea was prominent in the proposed Economic Stability Act of 1949—the Spence bill—with its great emphasis on "maladjustments," and its grant of power to the President to seek to correct them by control of prices, allocation of material, and direct government investment. The same underlying idea reappeared in the earlier versions of the Murray bill, the proposed Economic *Expansion* Act of 1949. In a designated list of industries, the President would have been given power to determine whether investment was adequate, and to take corrective measures—including direct government investment—if it was not. The bill provided for a vast public-works program—both Federal and state. But it is symptomatic that the old-fashioned idea of varying the timing of public-works expenditures to offset general economic fluctuations was subordinated to the idea of directing a continuous large public-works program in such a way as to promote regional and industrial balance.

The Spence bill died with the end of inflation. And, perhaps in deference to the mildness of the recession, the Murray bill was tempered toward orthodoxy before it was introduced.

The high-wage idea and the government-planning-for-balance idea will be important in a future depression regardless of the extent to which they are put into effect. They will be important because the effort to translate them into policy will provoke controversy, and the controversy may prevent effective action along lines that would otherwise be generally acceptable.

A situation like this may be easily imagined. If there is a serious depression the Administration will present a program. The program is almost certain to include such conventional and

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

neutral devices as public works and tax reduction. And if the whole plan is of this character it is very likely that Congress will authorize it. But suppose that the Administration's scheme calls for government support to the high-wage idea and government intervention in areas hitherto regarded as private. Many Congressmen will regard this part of the program, and therefore "the whole damned thing," as revolutionary, and large sectors of the press and public will agree. The purer fiscal aspects of the program will then get their share of suspicion and resentment along with the controversial ones.

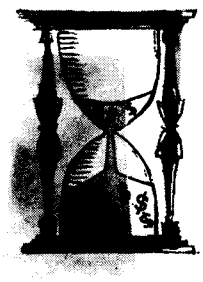
There is no reason why this should have to happen. The parties involved, in and out of government, *could* distinguish between areas on which they agree and those on which they disagree. They *could* work together effectively on the former while fighting over the latter. But our willingness and our ability—intellectual and emotional—to make such distinctions have not been conspicuous in the past. A major depression is not only an economic crisis; it is also a political crisis, in which the success and survival of the contestants are at stake. A depression program is not merely a statement of economic policy; it is also a political slogan. In framing a political slogan it is wise to draw a sharp line between yourself and the opposition, placing the line so that as much of the public as possible finds itself on your side of it. You must condemn the opposition and *all* its works. Conversely, in framing an economic policy it is wise to seek out and emphasize areas of agreement.

Possibly we shall learn, given time. Given some years of economic and political calm, we may be able so to define and solidify our agreement that we *can* act effectively in a crisis in spite of the controversies that will certainly appear. From this standpoint, the current recession (if it turns out to be no more) may be helpful. The rise of unemployment from two million to four million and the slacking off of production will be sufficient to bring out all kinds of cure-alls. But the situation is not so intense as to prevent reasonbly calm and deliberate discussion of such plans. The resulting educational process could be invaluable in preparing us to meet a real depression when and if one comes.

—Herbert Stein

Europe

And Still — Nationalism



In late 1947, Ambassador Harriman told the sixteen Marshall Plan countries that in their first report on European needs they had neglected the all-important factor of mutual aid. The European experts hastened to elaborate the scanty paragraph they had written on the subject. They threw in a few sentences about how desirable it would be to standardize European transport equipment and machinery, and how in time France, Italy, and Switzerland might together proceed with the electrification of the Alpine regions. The truth is that European economists, British ones in particular, have not been thinking about mutual aid at all. They have had only one thing in mind, and that is the dollar shortage; they do not believe that this specific and pressing ailment can be cured by European cooperation or federation of any kind. We are bound to admit, if we look at the facts, that there is something to be said for their point of view.

Broadly speaking, the prewar foreign trade of the European nations fell into two almost equally important divisions: trade with one another, and trade with the non-European world. From the outside world, Europe bought foodstuffs and raw materials, and it paid for them by selling manufactured products abroad. Now it is a demonstrable fact that no increase in trade among the European countries themselves, however great, can make up for that lost trade with the non-European world. The reason is simply that Europe does not produce, in quantity, the goods that it used to buy elsewhere—copper, petroleum, wool, cotton, and so on—all of them essential to maintenance of a decent standard of living in our kind of world. The truth is that, at least in the short run, to federate the European Marshall Plan beneficiaries would merely result in adding up their individual trade deficits.

This is the answer that Europeans are afraid to give when Americans urge them to more economic cooperation. This is why they smile and nod agreement, but take no action, when Americans point out to them that high tariff rates, import quotas, and nonconvertible currencies are fatal to trade and prosperity, or when their attention is called to the benefits that the United States derives from its vast internal market. No one denies that Europe would be better off if it had a different past and were not cut up into national economic units. But overcoming economic nationalism is considered a long-term goal. Everybody on the continent is so obsessed by the dollar shortage that Europeans are incapable of thinking of concrete ways to move from the present deplorable disunity to a clearly desirable unity.

An American will retort, very sensibly, that an obsession is not an argument; that even if the dollar shortage remained, even if European cooperation did not bring about more trade with the non-European world, it would still have the advantage of ridding the continent of a good many absurd local barriers. For instance, if Europeans would at least stop the ridiculous practice of paying dollars to one another for strictly European goods, the dollar crisis would be lessened, even if it were not eliminated.

The Europeans are aware of this, and they have made some progress in that direction. But inside Europe itself, changes have taken place that prevent a simple return to what we used to think of as "normal" trade relations. Take Great Britain, for example. Be-

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fore the war it bought every year, from the continent, about half a billion dollars' worth more of goods than it sold to that area. That surplus of European sales to Britain permitted the continent to obtain dollars, thanks to which these nations, in turn, were able to buy more from the United States than they sold to it.

Meanwhile, Britain also could buy more from America than it sold there, for two reasons: because British people owned American securities from which they derived dollar dividends and interest payments; and because Britain owned a good part of the African gold and copper, and Malayan tin and rubber, which Americans were obliged to buy with dollars. But Britain has now lost its American investments. Its dollar income from overseas possessions is not what it was. Britain is therefore trying not to buy more from the continent than it sells there. And the other European nations are wondering where they are now going to get the dollars which used to come to them from London.

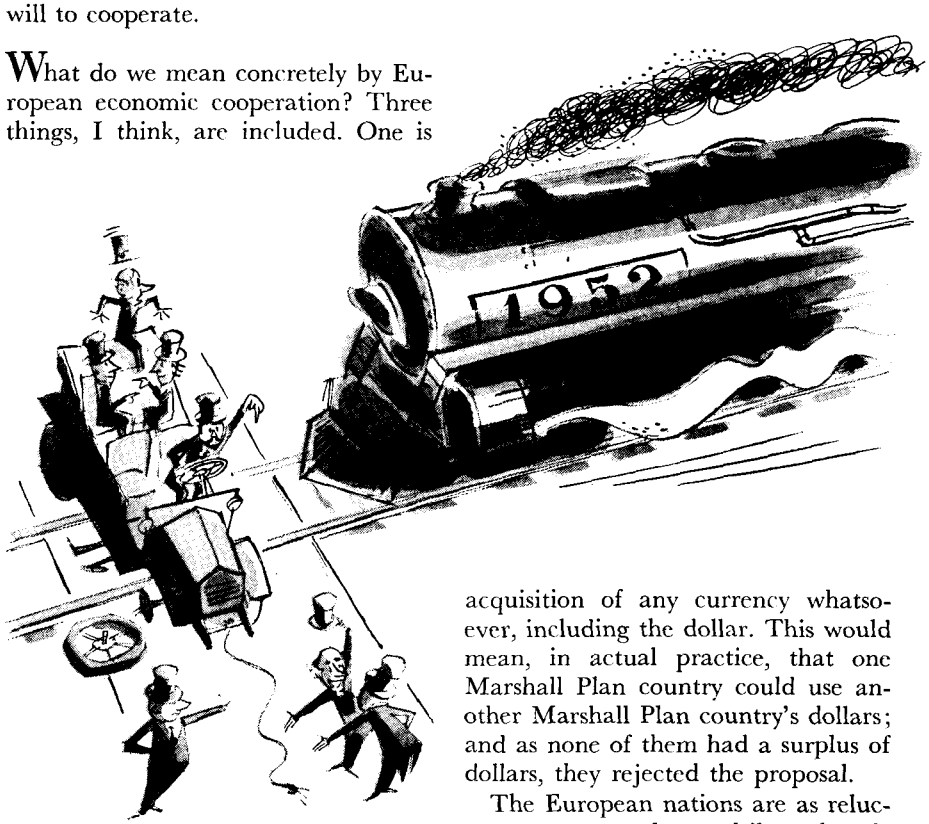
This is not the only serious change that has taken place to the detriment of European-American trade relations. The Iron Curtain has not halted the East-West trade among the European countries, but it has slowed it down considerably. For one thing, in eastern Europe the Soviet program of industrialization has lowered the volume of agricultural products available for export to western Europe. For another, Russian intervention has caused the bulk of eastern European trade to shift toward Russia and away from western Europe. Finally, Germany is no longer the greatest market for Danubian and Balkan exports, and has ceased to be the chief exporter to eastern European countries, as it formerly was. Also there is the significant fact that in 1945-1948 German exports were in many countries replaced by the products of British industry.

Now that German industry is recuperating there is some danger, particularly if we do not get a genuine revival of European East-West trade, that we shall see an Anglo-German trade war in western Europe.

The last thing that we may look for is a restoration of the past. Economic phenomena are never "normal"; they are historic and evolutionary. The structure of world trade is constantly changing, and each nation is obliged to adapt itself as well as it can to this ceaseless evolution. But adaptation is obviously difficult for a Europe which has lost its foreign investments and a great part of its foreign markets (both to American and to local infant industries), that has been split into two hostile camps, and faces a vast job of rebuilding war-damaged areas as well as of replacing out-of-date plant.

Still, Americans will say, isn't this all the more reason why the Europeans should achieve more cooperation at the earliest possible moment? Of course it is—in theory. But the fact remains that the disruption of the old European economy, and the resultant lack of balance between Europe's exports and imports, have paralyzed the European will to cooperate.

What do we mean concretely by European economic cooperation? Three things, I think, are included. One is simply the abolition of trade and monetary barriers to allow goods and payments to flow freely from country to country. The second is the coordination of the various national economic plans and the drafting of some sort of master-plan for all Europe. The last is the gradual integration of the several national economies into a whole, with the abolition of restrictions and the coordination of economic plans.



The abolition of restrictions would mean the substitution of multilateral trade for bilateral trade, and the replacement of bilateral payment schemes by absolutely free exchange of currencies. As a first step toward ultimate freedom of exchange, there has been, for about a year, the system of "drawing rights" under the Marshall Plan. This arrangement was strictly bilateral. That is to say, if Britain granted sterling credits to France, the credits could be used only to buy British goods. The French could not use that particular sterling for the purchase of, say, Belgian francs with which to buy Belgian goods. W. Averell Harriman and his ECA experts then proposed that such "drawing rights" be made multilateral instead of bilateral, so that they could be used for the acquisition of any currency whatsoever, including the dollar. This would mean, in actual practice, that one Marshall Plan country could use another Marshall Plan country's dollars; and as none of them had a surplus of dollars, they rejected the proposal.

The European nations are as reluctant to return to free multilateral trade as they are averse to free multilateral payments. They talk about internal European disequilibrium—Belgium's high export balance against the rest of Europe; France's perennial import balance, and so on. What they have in mind, and don't dare mention to Americans, is that their fundamental economic techniques do not permit of multilateralism. Britain, Sweden, Norway, and several other nations look to planned economy to bring their ac-

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

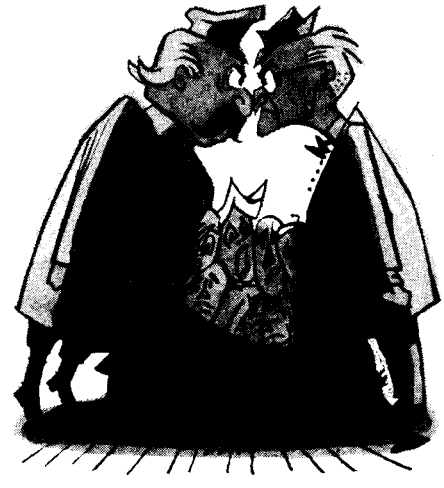
counts into eventual balance. In those countries, it is the governments that decide which goods shall be imported, and bilateral agreements determine what they shall sell to each other. Governments, therefore, and not individuals, carry on foreign trade; and the market in which purchases are made is not chosen through considerations of price but in order that imports and exports shall be in bilateral balance.

There were many reasons why those governments adopted this policy. One was their desire to insulate their national economies, as much as possible, from the repercussions of world fluctuations, to maintain full domestic employment whatever might happen in other countries. Another was that they were engaged in redistributing the national income in favor of wage earners, even though, at the same time, they were faced with the problem of increasing domestic investment in order to replace old or damaged plant. Clearly, economic choice is suppressed within these countries, and they cannot allow uncontrolled external trade. In these circumstances, foreign trade has to be carried on by means of bilateral agreements, bulk-purchase arrangements, and import quotas.

So much for the abolition of trade and payments restrictions as a means of economic cooperation. What about coordinated international planning? One of the first disappointments Harriman encountered came when the ECA countries submitted their national recovery plans to their own experts, the Organization for European Economic Cooperation. These plans were flagrantly irreconcilable. Each country planned to sell the others more than it bought from them. Each planned to develop home industries to supply products that were readily available from its neighbors. Never had there been so frank and naive a confession of foolishly insular economic thinking, and of disbelief in the principle of international division of labor. Belgium favored multilateralism as a means of getting dollars for its export surplus. Britain was against it because its position made free convertibility a great danger. The various national investment plans bristled with duplication. Each country wanted its own steel plants and oil refineries built up purely to avoid buying these products from others.

Actually, no European doubted that duplication and oversupply ought to be avoided, and that continental coordination was the sensible thing. But where was the authority with power enough to decide that country A should have steel plants and country B should not? That country C should have refineries and country A should not? No such supra-national authority existed and, seemingly, none could be built. The national experts could bargain, they could negotiate, but none could force his views, however logical, upon the rest. We know from the economic history of the United States that wisdom often has to give way to individual self-interest. How natural, then, that in Europe wisdom should be defeated by collective self-interest.

Thus both the ideal of abolishing barriers and that of coordinating national plans hit very solid obstacles. Some of the difficulties were born of the war; others were the product of national planning schemes, or of régimes, such as the one in France, that were trying to achieve partially planned economies. The war-created obstacles



are relatively easy to overcome, with time. Gradually lowered production costs, and restored ability to compete in the world markets, can reduce those obstacles. But the planning schemes, and the régimes that advocate semi-planned economies, afford no possibility of a return to the pre-1914 type of cooperation (cooperation by competition) nor even any hope of that "cooperation between planned economies" about which certain economists dream.

And so we come to the third form of cooperation, which involves the integration of Europe's national economies into a single economic whole. The first step here is the abolition of customs barriers, or rather the creation of regional customs unions. Belgium, Luxembourg, and Holland are experimenting in this way, with their Benelux union. France and Italy have proclaimed their faith in this principle. But we cannot conceal from ourselves the fact that customs unions are no answer to the great central problem, which is: Where and how is Europe to recapture those non-European markets in which it once sold its manufactures and from which it bought its raw materials, and without which it cannot maintain a reasonable standard of living?

Neither in Europe nor anywhere else can self-interest stand out forever against the general interest. Caught between the potential power of the Russians and the matchless strength and achievement of the Americans, the European peoples are forced, if only by the instinct of survival, to proceed to economic unification. Even in the short view, we see that they are moving in that direction. Thanks to the American people, and to their own will to survive, they have achieved in the space of two years a truly remarkable revival of production. Further progress is handicapped by the devotion of some governments to the illusion of national planning—a concept which, ideal as it may appear for an isolated and theoretically self-sufficient economy, is in fact the arch-enemy of international cooperation.

However, taking the Marshall Plan countries as a whole, they seem to be slowly but steadily moving away from autarchic doctrine toward liberal doctrine. In every European country the peoples are insistent upon retaining the social gains they have won since 1945, but they are at the same time growing more skeptical of the promises of the planners. The governments are, at least in some degree, extending credits to one another, and thus practicing mutual aid. Their representatives on the OEEC and the United Nations' ECE are not merely learning to work with one another, but are acquiring the habit of working together and of thinking of their peoples' problems in supranational terms. —RAYMOND ARON

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

France

Communist Intellectuals Think Again

The French Communist Party is undergoing a severe, if limited, crisis. Little of it has become apparent, because the iron discipline of the party has succeeded in stifling public discussion. But there can be no doubt that the majority of Communist intellectuals in France are becoming restive, even inclined to revolt.

This is a serious matter, for one of the most spectacular assets of the French Communist Party has always been the number of prominent scientists, writers, and artists who have belonged to it. The number was large even before the war; it increased substantially during the Resistance. A representative case was that of the physicist Joliot-Curie and his wife, who both were Socialists before the war; Mme. Joliot-Curie even held a ministerial office in one of the Léon Blum Cabinets, and both of them signed a resolution attacking the Molotov-Ribbentrop pact. Yet after the war, they entered the Communist camp.

It would be interesting to analyze why the Joliot-Curies, and many other French intellectuals, turned to Marxism. The reasons are manifold. For one thing, French intellectuals have always tended to side with the left, and the Communists have been posing, successfully, as the most leftist group in France. Besides, there is the intransigently patriotic Jacobin tradition; and the Communists, in the Resistance and afterwards, loudly spouted all the old chauvinistic Jacobin slogans. Scientists often make much of "efficiency"; and after 1941, the Communists were undoubtedly the best organized and most efficient of the Resistance groups. Finally, many scientists have little time or inclination to study political problems, and some found a certain relief in being presented with a dogma that solved everything in one seemingly objective and scientific "system."

Until recently, the Communist Party, for all its rather too obvious propaganda moves, could always gather in scientists and artists who were respected by French intellectuals and the French public in general. Picasso is a vociferous Communist. So is the poet Eluard. Many professors of the physical and natural sciences in French universities are either party members or fellow travelers. Among the latter are people like the Catholic writer Louis Martin Chauffier, president of the Communist-dominated National Union of Writers; Vercors (Jean Brulher), the author of *The Silence of the Sea,* which was published secretly during the Occupation; and René Cassin, vice-president of the Conseil d'Etat, one of the most important officials of the Fourth Republic.

Most of the French intellectuals who have gone over to the Communists have done so through an essential fallacy. In joining the Communist Party and in accepting its discipline, or simply in siding with the Communists, the French intellectual usually believed that he was committing himself only on political matters. He may or may not have known that in Russia the party regulates not only political and economic life, but art and science as well. He was absolutely convinced that these principles did not apply in France, and that he would not be deprived of liberty of opinion in artistic and scientific matters. Similarly, the average French Communist or fellow traveler is profoundly convinced that France will never have to resort to some of the unpleasant devices used by the Soviet Union. "France is different," this reasoning runs. "What is probably necessary in Russia, where there has been a sharp transition from medieval despotism to Communism, will not be necessary in France, with its strong democratic traditions of many years."

For a time it seemed that Moscow would allow the French Communists this liberty. While the Soviet press lit into Picasso's paintings as the expression of "bourgeois decadence," and a Polish critic said Picasso was at the service of American imperialism because he confused the working masses, French Communists were allowed to call Picasso the "greatest living painter," and to boast about his fidelity to the party. They even asked Picasso to paint the poster for the World Peace Congress in Paris, and Picasso turned out for this occasion an easily recognizable dove. The case of Eluard, the second most highly-prized exhibit of French Communism, is similar. His poetry, as hermetic and difficult as that of any living poet, violates all the principles of "Socialist realism" and "revolutionary romanticism," the official Soviet literary creeds. His art is neither

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

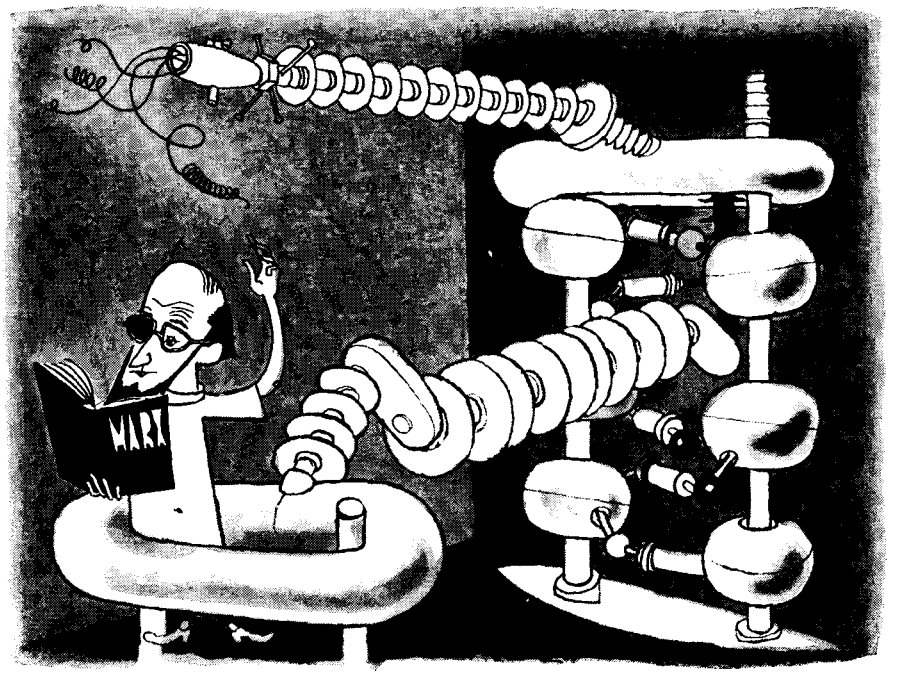
for nor about the masses; it is "formalistic" and aristocratic. Nevertheless, the French Communist Party has never demanded that Eluard change his poetic style. At most, it asks him to provide *Humanité* from time to time with some easily understandable verses on the emotions of strikers or of guerrilla fighters in Greece.

Communist intellectuals in France no longer receive such liberal treatment. They have been clearly made to understand that from now on Moscow's domination of the French Communist Party extends to *all* matters—artistic, moral, and political.

The first inkling of the new attitude came in January, when it was reported that Joliot-Curie had been censured by the *Politburo*, for having said, at an Anglo-American Press Club luncheon, that of course he would never divulge the secrets of his atomic researches to a foreign power, because they were military secrets; and that when he worked as a scientist he was not thinking of Communism. Joliot-Curie was allegedly reminded in quite positive terms that a Communist cannot divide his life in two, and that he must submit to party discipline in his laboratory, as well as in the voting booth.

The real crisis broke, however, over the Lysenko affair. Many French Communist scientists were reluctant to accept the *Politburo's* views on genetics. First of all, they had grave doubts as to the scientific validity of Lysenko's theories. Secondly, (and this was more important still), they doubted whether a body like the *Politburo* was competent to settle scientific matters. There followed violent discussions in Communist cells. Laurent Casanova, the member of the French *"Politburo"* responsible, as Zhdanov was in Russia, for the intellectuals, received so many worried letters that he had to take up the matter publicly, first by addressing a group of intellectuals, and then by writing a pamphlet called *The Responsibilities of the Communist Intellectual.*

In this work Casanova lays down the law. He demolishes the objections raised by two Communist professors, Prenant and Cohen. As an illustration of how far the "domestication" of scientists had already gone, though, neither had openly dared come out and say that Lysenko's theories were absurd. Professor Cohen had asked for convincing scientific proof of them—to supplement the approval of the Russian Communist Party—and had also suggested that even if Lysenko's ideas turned out to be wrong, dialectical materialism would not have suffered a defeat. In plain words, he said that a Communist might accept Mendelian genetics and remain "good." Prenant, on the other hand, had suggested that in Russia it might be necessary for politicians to intervene in scientific matters, but that in France, where scientific research is free and objective, such intervention is not absolutely necessary. Casanova, in his pamphlet, gives both professors a sharp rebuke. He says that in France, as well as in Russia, supreme authority in scientific and artistic matters belongs, not to the practitioners, but to the party central committee, because it is the duty of "the party of the proletariat to proceed at every moment to the verification of its own theory when confronted with social and scientific facts." He tells the professors that there is no such thing as a disinterested science, because, in all fields, there are two distinct sciences, bourgeois and proletarian, which are in essential contradiction to each other. "To speak of disinterested science," he goes on, "is to commit the sin of formalism, as dangerous in science as in art." And to make the culprits even more remorseful, Casanova reminds them that the decisions on the Lysenko theory are "the personal work of our beloved comrade, Maurice Thorez, Secretary-General of the party." In sum, the ex-miner is once and for all proven to be more competent to judge questions of genetics than are professors of biology.



Along with the disciplining of scientists over the Lysenko affair, the "artistic discipline" has been tightened. Picasso and Eluard have not yet been admonished; they are allowed to continue to work as they like, because their names have too much propaganda value to be dropped. But Casanova makes it quite clear in his report that, for all other artists, the Zhdanov directives of "Socialist realism" and "revolutionary romanticism" are binding in France as well as in Russia. French Communists are obliged to admire the works of the painter Feugeron, the movies of Louis Daquin, and the novels of Elsa Triolet (the wife of Louis Aragon), because these artists follow the official aesthetics of the party. Communists are not permitted to speak and write about art without taking into account "the reasons given by the party." One art critic has already been expelled from the party, because she dared to write what many non-Communist critics have pointed out—that Feugeron is mediocre.

The refusal to accept these shackles has been widespread—so much so, indeed, that Casanova forbids Communists to discuss artistic theories in public. "Discussion may be conducted in

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

public only on the initiative of the responsible organs of the party," he says in his report. "Comrades sometimes forget this."

Intellectuals have been disciplined for still another offense. Since Tito withdrew from the Cominform, and the Russians started their witch hunt against "nationalistic deviationists," there is a new and heinous crime, that of "underestimating the role of the Soviet Union." Roger Garaudy, a brilliant young historian, and a member of the Assembly, was one of the first French Communists to be convicted of this. He recently published a book called *French Sources of Scientific Socialism,* in which he tried to show that the essential ideas of Marx can be discovered in the works of the French revolutionary writers of the eighteenth and nineteenth centuries. As he put it, "The proletariat found its intellectual arms in the thinkers of the bourgeoisie, at a time when the bourgeoisie, too, had been radical and revolutionary." Garaudy was severely called down for not having realized that Marxism, Leninism, and Stalinism could have had no predecessors, because they had completely revolutionized science.

Outwardly, this disciplining has been completely successful. Garaudy has repudiated his heresy, humbly confessing that he erred because of his desire to find French contributions to Communism, and has promised to rewrite his book completely. Professor Prenant now writes articles defending Lysenko. Artistic discussions have been stifled in the Communist press, which publishes now only quite orthodox articles, explaining how, even in music, it is not form, but "progressive content" that is essential.

But in the party cells the discussions are still acrimonious. Many intellectuals, muttering of their impending resignations, refuse to accept Thorez as supreme authority on scientific, artistic, and philosophic matters. Many fellow travelers already have gone off in other directions—for instance, the famous dramatic team Jean-Louis Barrault and Madeleine Renaud.

Communist headquarters are quite preoccupied with this crisis. Not only French leaders, but also satellite ambassadors in Paris, have tried to persuade Moscow to ease up on the intellectuals, but so far they have had no success.

This is hardly surprising. Moscow has shown on more than one occasion its callous disregard of the interests of the local Communist parties. It is enough to remember how, two years ago, Jacques Duclos reputedly pleaded with Zhdanov to withdraw orders for strikes that were doomed to failure and that led to the disruption of the Confédération Générale du Travail.

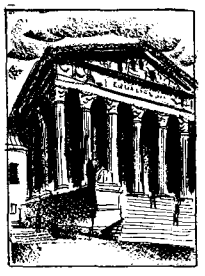
Complete uniformity of party doctrine, rigid adherence to orders, and open supremacy of the Russian Communist Party are essential for Moscow. And the Russian leaders care little whether the Moscow decisions will adversely affect the position of the French Communist Party in French intellectual circles and make the recruiting of adherents more difficult. The time of the apparent independence of local Communist parties, even in small cultural matters, is definitely over.

—C. Poznanski

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Washington

The Dog Days



The promise of autumn, the matchless time of year in the Federal city, is always just beyond another sticky sunset. The cumulative strain of summer's last long mile is visible, as always, in the dispirited nine-o'clock faces of the nearly one million persons whom the administrative machinery of world leadership has sucked into these sixty-nine square miles of miasmic river bottomland suited to a maximum population of about a hundred thousand. On Capitol Hill, "September sickness" is epidemic.

Few Congresses have had to endure Washington in its dog days. It has been the rule, even in wartime, that legislators convening in January hacked through at least the non-postponable items on the calendar by Labor Day. The 1949 woodpile is the most formidable in history, Mr. Truman dawdled at his post-election love feast, and even after the axes were finally passed around, the lawmakers did an uncommon amount of spitting on hands and hitching up of trousers.

Meantime, of course, the legislative logs piled up faster than the axes rang: British dollar crisis, Marshall Plan troubles, hollow victory in Berlin, Red successes in China. Now, in mid-September, the Senate is resigned to grinding until Christmas Eve without so much as the brief "recesses" to which the lighter-hearted House is treating itself.

Many a conscientious man has worked hard at his job, sweating well into the endless nights; some have had flashbulbs and fanfare, others have had their mind's-eyes less on their fishing rods than on the future.

In the moldering Old House Office Building, lights stay on late, as a subcommittee of the House Judiciary Committee grapples with a problem older than the airplane and the automobile: corporate bigness, and what (if anything) to do about it. The mountains of case histories pile higher on problem-worn desks: steel, soap, cigarettes, chemicals, insurance, aircraft, airlines, railroads, meat packers, oil. And while the Celler committee rumbles, the Justice Department sues, subpoenas, charges, shows cause, and sums up. Men at work making little ones out of big ones.

On the other side of the Capitol, Senators, in their newer, hotter Office Building, tell each other that Europe's only hope lies in "getting together on the stuff they buy and sell." Two miles away, in Foggy Bottom, State Department underlings preparing briefs translate that homely phrase into "economic integration," which is a euphemism for cartels. Men at work making big ones out of little ones.

In the Pentagon, across the Potomac, the second Secretary of Defense in American history slaps his knee to emphasize to European newspaper men that we truly mean to defend their liberties with "everything we've got."

And what will that be, exactly? Only that morning, perhaps, the Secretary has initialed another order separating another ten thousand civilian employees, mothballing another fifty destroyers. There are those (and they are not all admirals and Marine Corps generals) who say that if the 1952 political clamor takes the form of an overwhelming demand for a "businessman's candidate," thoroughly acceptable to, for instance, Harry Flood Byrd of Virginia, at least one Cabinet member will be ready.

A young Senator, distinguished for his record as a militant internationalist, comes to see an important constituent and close personal friend in the air-cooled Statler. The Senator flings himself into a chair, his Scotch highball teetering at a dangerous angle, and proceeds to say things he has scarcely dared say to himself.

"Tom, we've got a bear by the tail. I tell you, I don't see the end of it any more. In the last seventy-two hours I've seen and heard evidence to indicate that there just isn't any way out for the British, that not a single damned ECA goal will be met by 1952, that we're lousing things up worse than ever in Greece, that we've been played for suckers in Berlin—oh, God! I could go on like that for hours. The truth is, we're not even holding our own.

"Do you realize what the end of it all might be?" he asks. "Plain old garden-variety bankruptcy, with nothing to show for it. Nothing."

The friend gasps.

"You talk like an isolationist," he says, trying to make it sound like casual banter.

"I know." The Senator stares, unamused. "It used to be so damned simple." A pause. "Oh, hell. I guess I'm just tired."

It is that mixture of utter weariness and bafflement, rather than the too-obvious absence of a master blueprint here, that bothers an observer coming back after a two-month interval. It is difficult to shake off the feeling that the sap of conviction is being squeezed out of the few who ever had it.

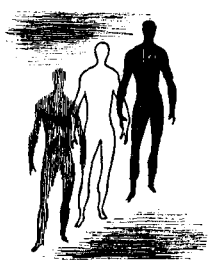
One can easily understand that this was perhaps inevitable. The pace is, literally, killing. More is required today of any conscientious Senator than we expect from the management head of the largest corporation. But understanding this doesn't reduce any qualms. Of course none of these stalwarts will drop in his tracks. What will happen will be that they will continue to drag protesting flesh from committee room to floor to committee room to bed, from time to time dosing their sluggish brains with spiritual aspirin. And we constituents, seeing their names in the little six-point voting box-scores, will say and feel all is well.

It is just possible that if Congress gave itself a month's holiday now, it would do a better, faster job in October and November. Even the crotchetiest schoolmarm knows that periodic recesses pay off in higher marks.—L. W.

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Books

'City of Reason'



"It has been said that the central problem of our age is fatality: the loss of control over our destiny. There is a certain terror which must seize a man when he considers the choices he is obliged to make as a citizen in the modern world. The experts and the leaders present their conflicting policies to the people. Upon a right choice depends the difference between war and peace, prosperity and depression, progress and decay and collapse. Yet each policy, at the best, complex, closely reasoned and buttressed with facts, is an airy bridge of the imagination, arching off in a different direction into the dark of an unknown future. Each wants to be, even pretends to be, the future. Each is only a construction of the mind, a mere probability, a plan and a purpose. Where can a man find the confidence to set foot on any one of these ethereal structures?"

Less eloquently, and perhaps with less of the clarity of courage, men of good will have asked themselves this terrifying question in recent years with an increasing sense of urgency and inadequacy. The sources of fear and doubt are many. There is the record of recent events and present realities—depression and war, the Nazi and the Communist, the bomb and the barricades. There is the insight into the irrational, from Freud and less humane observers; there is the onrush of science, so unkind to superstition masquerading as faith, yet sometimes trapping the unwary in repugnant superstitions of its own; there is the suspicion that many strongly-held convictions have unappetizing sources. So many trusted outerworks of the fortress of man's faith have been destroyed that many have wondered whether the fortress itself is any longer tenable.

For some, soft answers seem sufficient, and the best-seller lists are crowded with them. For others, there is consolation in the sharp answer of a general skepticism, sometimes declining toward the cynical, sometimes redeemed by magnificent "can't helps" like those of Justice Holmes. But most men find pap a thin diet, nor can they live forever on the capital of inherited imperatives.

The whole answer is too much to ask; it is the prerogative of God. But we need enough of an answer to go on with—to act from, to think from, to live with. This much we work out as we can. When a man reaches even a partial answer, he can do the rest of us a service by reporting his results. This is what Samuel H. Beer has done in a short but important book published last spring (*The City of Reason,* Harvard University Press, $4). It is from this book that I have taken the opening paragraph of this review.

Mr. Beer's book is a reaffirmation of an old thesis: "Man is inwardly free and, therefore, ought to be free outwardly. Man is inwardly free by virtue of his reason. Hence, the liberal ideal is a society which protects and promotes the exercise of that capacity: The City of Reason." It is hard to frame a sharper statement of conviction on a point so much in question. If this is true, then the armor of this truth is all a man will need to face the trials and confusions of present politics. To believe it is not, of course, to know offhand which way to act on any issue, but it is to know how to go about acting, and to believe that the process has meaning and purpose.

Because the proposition is of such evident importance, the first step for the man who affirms it is to investigate not its results, but its sources. Is it no more than an affirmation, or can it be demonstrated? Mr. Beer has made a tough-minded and eloquent attempt at the demonstration. He writes as a political scientist, but his problem is a problem in philosophy, and the metaphysics to which he appeals is that of the late Alfred North Whitehead.

The philosophy of Whitehead is not simple. *Process and Reality,* the volume in which he stated his position systematically, is one of the most important books published in this century; it is also one of the most difficult. For his investigation, Mr. Beer has used not the flashing but disconnected insights of Whitehead's other books, but the complex analysis of this one. His summary of Whitehead's position is the best and clearest short description I have seen, but what he has condensed once cannot satisfactorily itself be condensed. In particular, we cannot here make use of the strange but fruitful terminology of Mr. Whitehead's world. The best that we can do is to state the central propositions of Mr. Beer's analysis.

First, there is the general proposition of interconnection. "The parts of the world enter into one another. When we analyze the present we find within it elements of both the past and the future." This is as true of great events as of small ones; whether it is the Second World War, or a second cocktail, the event arises from earlier events and contains within it the seeds of later ones, and how an event occurs determines what the event is. In Mr. Whitehead's words, "Its 'being' is constituted by its 'becoming'." This principle applies not only backwards, but forwards. Any event's "becoming" is a set of other antecedent events; part of that which makes the second war or cocktail is the first one. Thus a part of the first war or cocktail is its power to enter into the second one, and the second war and the second cocktail have in them, potentially, elements of the third, even if these third events never happen.

Second, this interconnection of events is not passive. It is shot through with feelings, even when these feelings are not conscious in the ordinary sense. And these feelings are both physical and conceptual. An event, any event, is connected not only with other events, but with what Whitehead calls "eternal objects," not unlike the "ideas" of Plato. An event has not one potential

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

consequence, but many. These possibilities, or tendencies, will not all be realized; but all of them are real—real in the world of eternal objects. And it is just this connection between a mundane event and a possibility far beyond it that permits novelty, creativity, and change. The world is a "becoming," which not only has its origins in, but moves toward, the Eternal, and in this process, "cause and effect, means and consequence, past and present, present and future, are mutually immanent."

These two propositions say much about the world, but not much about man and his right to beliefs and hope and purpose. Mr. Beer draws out of Whitehead—and in doing so perhaps goes a little beyond him—two further propositions. These are, first, that the world of eternal objects is the world of God, in which nothing that has happened in our world is lost, where all becomes unity and all is mutually consistent. "Here is that single, uninterrupted continuum which philosophers of progress seek for in vain in the events of our familiar, pluralistic world." And his second proposition, the one which contains an answer to the problem of human purpose, is that the human soul finds itself, and fulfills itself, only by working toward the realization, the becoming, of as many eternal objects as it can. No human event will in itself be perfect, but each human act can have the inspiration of a purpose that leads toward perfection.

If this is my purpose, I must act on it. If I must act on it, I must act with the best knowledge I can get. Nor am I afraid of knowledge—for my purpose, and the faith that it embodies, are a purpose and faith in which knowledge and creativity—all that I think and am—are included, as supporting elements of my belief. This is my freedom—service to no man, but to God, "whose service is perfect freedom."

If this is my view of myself, this must also be my view of the nature and destiny of other men, and their chance at creative advance is as important as my own. Mr. Beer's analysis is more than sufficient to sustain his City of Reason as the goal of politics, and reason itself as an instrument in the process. The sweep of his four propositions is obvious. They are an affirmation of the meaning of human action—or more accurately, its possible meaning—that resists all the doubts and fears with which we began. In this philosophy, success is not judged by worldly standards, and neither is failure. Yet a man with Mr. Beer's faith is not drawn out of the world's affairs, but more deeply into them, for his purpose in serving God is a purpose that is inseparably connected with worldly action and worldly events; it has no other mode of becoming, and this is as true for the composer of quartets as for the maker of automobiles. It is not surprising that Mr. Beer, while centering his analysis on the metaphysics of Whitehead, has drawn equally from Emerson and John Dewey for illustrations of his meaning. For this small volume is nothing less than an attempt to combine, in fully satisfactory terms, two great and continuous elements in the American tradition—an idealism that will not be crushed by any events, and an empiricism that will not accept the most eloquent of merely otherworldly affirmations.

I shall conclude by suggesting three tests that I have tried to apply to Mr. Beer's book: they may be used to measure any volume that dares to argue for the difficult and yet comforting belief that a man of good will can act, in reasoned conviction, in the service of God.

As a first test of such an argument, we may inquire whether it faces or dodges the hard problems. This book passes that test. Mr. Beer is persistently concerned with the toughest problem of all—the problem of evident, large-scale evil. I am not sure that I understand the metaphysics of his conception of evil, but *The City of Reason* is a book in which there is no attempt to evade the evident reality that all men are partly wicked, and some of them very wicked indeed.

A second test—and an important one when the final assertion is one that reaches the point where faith and reason overlap, each incomplete without the other—is whether the writer has examined important alternative solutions. This test also has been met, although naturally those who are committed to one or another of these alternative solutions will not like Mr. Beer's conclusions. But at least he has framed his own philosophy after examining more than one theory; he stops to look at Dewey, Marx, Plato, and both Testaments, with fairness and sympathy; in the case of the Bible, with reverence. He draws insights from all, except perhaps Marx, and what he brings from Christianity is brought as a definite expansion of the cosmology of Whitehead; he calls his analysis, indeed, "a Christian interpretation of Whitehead's philosophy."

Finally, there is a more subtle test. A book that asserts a final Good, as this one does, can proceed only so far with logic; beyond a certain point the writer comes to faith. Even if he could fully prove his point—a possibility that I doubt as much as Mr. Beer does—the powerful sentiments that result from faith would mingle with his demonstration, for a conviction that there is a final Good cannot be dispassionate. We must therefore ask the man who moves up this high road toward the clouds that he not pretend that it is all done with major and minor premises, neatly arranged. Yet at the same time we cannot allow him to give up the methods of logical analysis until he has to. The long jump may suit the jumper, but he must not expect that others will easily follow.

It is the quality of Mr. Beer's book under this third test that seems to me its greatest single merit. He presses his argument as far as it will go, within sight of his goal, and then he stops to remark that "Proofs of the existence of God are as presumptuous as attempts to describe His nature. Yet that is because at bottom we have an idea of His being and a faith in His existence which mock the effort to catch them in our poor net of words." In developing his view of God, Mr. Beer respects his reasoned argument, and indeed pushes it a little onward, but he also works downward from his faith toward his logic, so that the two may merge in the final affirmation. Fuzzy idealists rejoice in a thoughtless kind of faith; positivists think they get along without it; the method Beer has chosen is the method of very great men, of Plato and Paul, and, in our time, of Whitehead. He is not working on their scale; this is an essay, not a treatise—a preface to politics, not a study in cosmology. But he is working after their fashion, and after their fashion the faith and logic are entwined, in the closing passages, so that the eloquence of the affirmation takes its color, its tone, and its very phrases, from reason and faith at once.

—McGeorge Bundy

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Contributions

The Reader Reports

The articles appearing on this page were contributed by readers in response to the theme question:

What steps should the United States take to help Britain meet its economic crisis?

Eliminate Tariffs

The future of Britain and of the world economy depends on our political capacity for accepting the responsibilities of prosperity. The superlative efficiency of American industry forces us to be intelligent. Unless we participate in multilateral world trade without extinguishing foreign export industries, we must prepare to defend the wealth of the United States against a ruined, envious, and desperate world. Complete military self-sufficiency would probably be illusory, and it would certainly be extremely wasteful of our resources.

We must eliminate our tariffs, without worrying too much whether foreign countries reduce theirs. When Britain was the premier industrial nation, in the middle of the last century, every other country was assured of a free market at least as large as its own territory plus the British Empire. We could offer every country a similar trading opportunity. The full release of our enormous purchasing power in the world market might well duplicate the achievement of British free-trade policy, which was one of the conditions of long, stable peace in the nineteenth century.

The domestic political objections to removing the tariff are horrendous—but they can be faced. Of the industries now protected by tariffs (which is to say, subsidized at the expense of the American people), some are already efficient enough to continue displacing import goods after the tariff is abolished, some will survive by becoming more efficient under the pressure of competition from abroad, some will be forced to contract, and some will be ruined. But when foreign countries are allowed full scope to exploit the American market whenever they have a competitive edge over domestic producers, the American consumer will obtain a better and cheaper combination of goods than he can now buy.

Our major responsibility toward the world is, in every application, a responsibility toward ourselves.

DAVID BRAYBROOKE
Geneva, New York

Point Four

I do not see how Britain's crisis can be separated from the world economic problem. The world disorder, called "dollar shortage," is best described as a serious imbalance, threatening to become chronic, between the American economy and the rest of the world. There is no way of righting this imbalance unless the rest of the world imports less from us, we import more from them, or we keep on giving them dollars.

It seems obvious that Britain's predicament is wholly caused by the world dollar shortage. Were currencies freely convertible, its difficulties would almost vanish; that they cannot be freely convertible is the result of the dollar shortage. What, then, can be done to ease this inconvenient lopsidedness, which finds America pulling far more weight than all the rest of the world?

Mr. Truman's Point Four suggests a way out. It is, admittedly, a long-term project. It will not give us an easy, overnight solution. But neither will anything else. We will have to learn to live with this economic headache for a long while; it is not going away except in consequence of heroic efforts carried on for a good many years. One way out—about the only way that makes much sense—is to develop additional world markets where Europe can make headway with its exports. It is a means of breaking the vicious circle by which we continue pouring money into Europe without patching up the leak. Britain and Europe could be relieved of excessive dependence on us, as they traded their manufactures for raw materials and foodstuffs from a new source. Point Four is constructive, whatever difficulties it might involve.

R. N. STROMBERG
Washington, D. C.

Instructions to Reader Contributors

Theme: *"After the Marshall Plan, what? Is there anything else we should do to further European rehabilitation?"*

1. All contributors should state the question to which the letter is in answer.
2. Letters should not exceed four hundred words.
3. Contributors are asked to print name, address, and occupation.
4. Contributions should be addressed to Reader Contributions, *The Reporter*, 220 East 42 Street, New York 17, New York.
5. Contributions to be printed will be selected by The Editors.
6. Each contributor whose letter is printed will receive a check for $25.00.
7. All contributions, whether printed or not, will become the property of *The Reporter*.
8. All contributions on this issue's question must be postmarked not later than September 20, 1949.

Reader contributors are asked to follow instructions carefully in order to avoid confusion between contributions on the theme-question and regular Letters to the Editor.

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Letters

To The Reporter

'Slangification'

To the Editor: The article, "My Soviet School Days," in *The Reporter* of August 16, 1949, was the first time I had attempted to write about my ten-year experience in the U.S.S.R. I liked the idea of doing it for *The Reporter,* since I thought that there I could make my account both non-sensational and non-academic. That is why I was particularly disappointed to see the number of changes made in the article, without my knowledge, by the editorial staff of *The Reporter.* The end product makes me appear—at the same time!—more vituporously critical and sentimentally approving of Soviet education. And the cutting out of key sections of the article and the slangification of the remainder substantially altered the gist and content of my original account.

GEORGE FISCHER
Boston, Massachusetts

[*It is the practice of* The Reporter *to submit proofs of articles in which editing changes have been made to their authors for approval. Unfortunately, in the case of Mr. Fischer's work, this was not done. We apologize to Mr. Fischer.*—EDITOR]

Arty Lines

To the Editor: Regardless of all party lines and principles, your August 16 issue on Russia was a beauty in illustrative techniques. I compliment you highly on the cover, and on the excellent cartoons inside.

Actually, it appears to me that not only is *The Reporter* initiating a fine experiment in news reporting, but it is completely outmoding the art work found in the caricatures and illustrations within other news magazines.

BARBARA GUEST
Washington

Circulation of the Currency

To the Editor: Verily there is a certain order in things.

When I saw the first issue of *The Reporter,* I said to myself I would like to subscribe to such a magazine. Then I looked to my budget.

When I "scrounged" the second issue from my friends, I said to myself I *really* would like to subscribe to such a magazine. Then I looked to my budget.

And at that point a great light dawned. I would write a letter in response to the question, "What Should Be the Role of Organized Labor in Politics?", you would send me a check, and I, in turn, would be able to subscribe. And so it came to pass. I will admit that the thought occurred to me that the progression might break down at a most critical point. It didn't, and I won.

Enclosed you will find my check for eight dollars for a subscription for two years. Will you be so kind as to begin my subscription with the first issue?

MICHAEL O. SAWYER
Baldwinsville, New York

Commoner Smith's Dream

To the Editor: I very much enjoyed "Lord Rosebery's Dream" by Robert Waithman in your issue dated August 2. You and Mr. Waithman are of course aware that the dream was anticipated by Adam Smith in the seventh chapter of Book Four of *The Wealth of Nations,* first published in 1776. Note how drily matter-of-fact Smith is about the business:

"The people on the other side of the water are afraid lest their distance from the seat of government might expose them to many oppressions. But their representatives in Parliament, of which the number ought from the first to be considerable, would easily be able to protect them from all oppression. . . . The distance of America from the seat of government, besides, the natives of that country might flatter themselves, with some appearance of reason too, would not be of very long continuance. Such has hitherto been the rapid progress of that country in wealth, population and improvement, that in the course of little more than a century, perhaps, the produce of American might exceed that of British taxation. The seat of the empire would then naturally remove itself to that part of the empire which contributed most to the general defence and support of the whole."

If I may, I should like to add a word in appreciation of Mr. Schlesinger's revelation of the book, *Walden Two.* I read as many book reviews as the next fellow, but I had never read about this appalling expression of the "most advanced thinking of our academic psychologists."

LEWIS GALANTIERE
New York City

Unanonymity Unanimous

To the Editor: Just a line to let you know that I am reading my copies of *The Reporter* with interest, and like the general policy, style, and format. (The articles on economic subjects are sometimes heavy going.) I did *not* like the anonymity, and was about to tell you so; but the August 16 issue happily gives names and even a little of the who's who that I had wanted.

WILLIAM C. GREENE
Cambridge, Massachusetts

Dear Reader:

We are grateful for the letters we have been receiving in ever-increasing numbers, happy and proud that they show an understanding of our aims and progress in building a new and useful magazine. We have only to look at the lists of our subscribers and at these letters—some of which are too flattering to publish—in order to measure the quality and authority of the friends we have already made.

We think of each of you as the core of the audience we will reach as we advance toward our goal. Your militant and outspoken assistance will hasten that process.

We do not hesitate to ask your cooperation in what you have led us to feel is a common purpose. So talk to your friends about *The Reporter,* tell them about the articles that have interested you, and then —for this will help us greatly—let us have their names so that we may get in touch with them directly.

The Editors

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Tank junkyard in Normandy

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Next Issue

M*arika, Helene, Caterina*... the Greek girl who was court-martialed and shot; the German woman who accepted the reward of betrayal from Hitler's hands; the Italian peasant who lived through uncomprehended war and misery stoically accepted. Leland Stowe, Theodore Draper, and the great and compassionate Italian novelist, Ignazio Silone, tell the stories of these three dissimilar women in the September 27th issue of *The Reporter*.

HERE are no generalities about "humanity," or "the people." *The Reporter* looks at human beings and sees in them the hard reality that lies beneath all empty and condescending figures of speech. For "humanity" is composed of individuals who have names, who betray, or are heroic, and who suffer.

The Reporter

PRODUCED 2004 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED